FBIS DAILY REPORT

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REACTION TO U.S. SANCTIONS AGAINST NICARAGUA

OAS Resolution

FL022152 Mexico City NOTIMEX in Spanish 1735 GMT 2 May [redacted]

[Text] Mexico City, 2 May (NOTIMEX) -- At Mexico's request, the OAS Permanent Council has adopted a resolution condemning all types of political intervention as well as imposition of economic sanctions among member states.

Following an intense and heated debate, Mexico's initiative, which scored serious differences with the U.S. delegation, was adopted by consensus of all member states, even though the trade embargo imposed by the U.S. Government against Nicaragua was not mentioned.

However, diplomatic sources close to the OAS, whose headquarters are in Washington, asserted that a group of Latin America countries, using this resolution, will exert pressure on the United States to withdraw its action against Nicaragua, the capital's daily EXCELSIOR noted in today's edition. The same sources added that a group of countries is studying a joint trade action in support of Nicaragua to counteract the potentially profound economic effects of the trade embargo imposed by the Ronald Reagan administration.

OAS Secretary General Joao Clemente Baena Soares called this new signs of tension in Central America and warned that the eventual use of force in the region and possible worsening of the confrontation among nations could have devastating effects.

Foreign Ministers To Meet

PA030224 San Jose Radio Reloj in Spanish 0100 GMT 3 May 85

[Text] Foreign Minister Carlos Jose Gutierrez said today that the Central American foreign ministers, except for that of Nicaragua, will hold a meeting next week in San Salvador to analyze the situation resulting from the measures adopted by the United States against Nicaragua. The foreign minister said he has talked over the telephone with Guatemalan Foreign Minister Eduardo Andrade and Salvadoran Foreign Minister Jorge Eduardo Tenorio, and they agreed to hold the meeting next Thursday. He said that the meeting will serve to prepare the countries' position at the next meeting convoked by the Contadora Group and the ministers will also take advantage of the occasion to analyze the effects of the measures adopted by the United States, he said.

AFP Roundup

HK030136 Hong Kong AFP in English 0134 GMT 3 May 85

[Text] Caracas, May 2 (AFP) -- U.S. President Ronald Reagan was repeating the late President Dwight Eisenhower's error against Cuba when Mr Reagan declared a trade embargo against Nicaragua on Wednesday, a leader of Venezuela's ruling party warned here.

Teodoro Petkoff, head of the Social Democratic members of parliament, called the embargo "harassment that will produce results contrary to those desired to achieve peace." He was recalling President Eisenhower's 6 July 1960 suspension of all sugar imports from Cuba. That caused Cuba to increase its sugar exports to communist countries. By the end of 1961, 80 percent of Cuba's trade was with the Soviet bloc.

THE NEW YORK TIMES Thursday reported that Latin American diplomats warned the U.S. State Department that if the embargo were followed up by direct U.S. military action against Nicaragua, that would stir a huge wave of anti-Americanism and strengthen leftist movements throughout Latin America.

Venezuela's former President Rafael Caldera, a Christian Democrat, said President Reagan's embargo was "an error following another error." The first mistake was Nicaraguan President Daniel Ortega's trip to Moscow a few days ago, since he was sure to get Soviet aid even if he did not go there, Mr Caldera pointed out.

In San Jose, Costa Rican Foreign Minister Carlos Jose Gutierrez denied that Washington has asked other Central American countries to join the trade embargo against Nicaragua. The embargo would "undoubtedly" increase tensions in Central America and increase East-West confrontation there, Mr Gutierrez forecast. It would also hurt Costa Rica by pushing more refugees there from already-impoverished Nicaragua. He said foreign ministers of Costa Rica, El Salvador, Guatemala, and Honduras will meet in San Salvador some day next week to discuss whether the embargo conflicts with the Central American Common Market.

In Guatemala City, Foreign Minister Fernando Andrade denied any U.S. pressure for Guatemala to join the U.S. boycott. He expressed concern that the boycott would make it more difficult for Nicaragua to repay the 150 million dollars it owes to Guatemala. (The Costa Rican foreign minister expressed similar worry about Nicaragua's 200-million-dollar debt to his country.) Concerning President Ortega's trip to Moscow, Mr Andrade commented: "Any developing country has the right to seek economic assistance wherever it considers it convenient."

Bolivian Information Minister Mario Rueda Pena said President Reagan was resurrecting the U.S. "big stick" policy (of 1901-08). Bolivian mine union chief Juan Lechin Oquendo, Latin America's best-known labor leader, called the embargo an "imperialistic" violation of "self-determination of people," and "shameless interventionism."

Costa Rican President Luis Alberto Monge said he feared the embargo will ignite "a migration bomb." An average of 100 Nicaraguans per month took refuge in Costa Rica last year.

In Honduras, Economy Minister Miguel Orellana commented Thursday that the U.S. trade embargo against Nicaragua decreed on Wednesday would hurt neighboring Central American countries by limiting Nicaragua's ability to pay for imports from those countries. But in the longer run, Honduras might be compensated by exporting more to the United States "to supply certain demands that Nicaragua covered before." He ruled out the possibility of neighboring countries' isolating Nicaragua commercially because efforts were being made for integrated trade of all five Central American countries: "We have unanimously rejected an integrationist system with only three or four countries." Mr Orellana said Nicaragua's exports to the United States already have declined from $214 million dollars worth in 1980 to 54 million (due mainly to slashing of the U.S. quota for Nicaraguan sugar). Thus the embargo would affect only about 18 percent of Nicaragua's remaining exports. Yet the embargo would put pressure on the Sandinist regime to negotiate with its opposition, as desired by the Reagan administration, Mr Orellana predicted, because the embargo's impact would be affecting "a relatively undeveloped country."

Southern Cone Workers

PY030228 Madrid EFE in Spanish 0132 GMT 3 May 85

[Text] Montevideo, 2 May (EFE) -- The meeting of Southern Cone worker delegates being held in Montevideo tonight in a brief public statement condemned the economic embargo the United States has imposed on Nicaragua.

The statement stresses that the U.S. attitude is a way of forcing, through violence and blackmail, negative changes in the path that has been freely chosen by the people of Nicaragua.

The meeting was called by the Interunion Workers' Plenum of Uruguay to analyze the situation of the continent's debt with the participation of delegations from Argentina, Paraguay, and Brazil. The workers of the Southern Cone want a common policy established among the countries of the area in order to face those who want to collect the foreign debt at the cost of people's hunger. This was stressed by Jose Delia, an Uruguayan labor leader. The labor leader also stated that an idea will be launched from the Southern Cone that will call for a united Latin America to say no to the IMF and also calling on each country to say no to the financial oligarchies that support and carry out the dictates of international capital.

The following persons are participating in the meeting: Americo Bernardez for the Sole Workers Central of Brazil; Horacio Mujica from the Argentine Labor Confederation; and Vicente Cortes, Julio Etcheverry, and Pablo Aquino for the Paraguayan Confederation of Workers in Exile.

Uruguay's delegation is headed by Jose Delia, a leader of the National Workers Convention and a former vice presidential candidate for the leftist Broad Front coalition.

Andean Pact Officials

PY021903 Madrid EFE in Spanish 0838 GMT 2 May 85

[Text] Frankfurt (FRG), 2 May (EFE) -- The Andean Pact Board is extremely concerned over the trade embargo on Nicaragua decreed on 1 May by U.S. President Ronald Reagan, Andean Pact Coordinator Pedro Carmona Estanga stated here today. The high-ranking Andean Pact official, who has been attending an EEC-sponsored seminar on investments here, told EFE that "anything that would complicate the atmosphere in Central America is always a cause of deep concern."

Carmona emphasized the "well-established political line followed by the five member countries of the Andean Pact (Bolivia, Colombia, Ecuador, Peru, and Venezuela), which are devoted to consolidating the peace efforts of the Contadora Group." Carmona said: "I personally believe that the Contadora's initiative will be instrumental in truly restoring peace in Central America."

Vicente Silva Checa, Peruvian deputy minister for industry, commerce, tourism, and integration, stated upon his arrival in Frankfurt that "Nicaragua is a Latin American country and its problems are our problems; consequently, Peru is in solidarity with Nicaragua." Silva Checa, who is representing his government in the economic seminar, predicted that the U.S. Government's measure will "provoke a wave of solidarity in Latin America."

Up until 3 May , the Andean Pact representatives will hold talks with approximately 100 FRG businessmen and investors who are interested in obtaining first-hand information on investment prospects in the Andean region.

Asked about the economic summit of the seven leading nations that opens today in Bonn, Carmona said that the meeting "should reflect a clear understanding of the impact of the foreign debt, the deterioration in the terms of trade, the limitation of Third World countries, notably those of Latin America, have experienced in their ability to pay as a result of protectionist barriers. All this will be mutually beneficial."

ALFONSIN ADDRESSES JOINT CONGRESSIONAL SESSION

PY011512 Buenos Aires Domestic Service in Spanish 1200 GMT 1 May 85

[Speech by President Raul Alfonsin to a joint session of Congress opening the new legislative year -- live]

[Excerpts] Honorable Congress of the nation: The Argentine nation has been built with freedom and work. Our forefathers filled the Americas with a message of freedom that became the objective goal of everyone: adults and children, rich and poor, men and women, well-educated and illiterate.

It took 40 years to establish institutions and guarantees at the service of freedom in our land. In the free land they created, millions of immigrants like our forefathers founded a new nation where they could work. The Argentine nation, made free by our forefathers and the hard work of our parents, became formidable in a century during which we experienced pain, mistakes, and failures. However, there was no lack of confidence in the future, solidarity of spirit, or extraordinary will to create a new culture and to build new establishments to implement the process of civilization.

When anyone wanted to destroy the institutions or impose sectarianism, he was defeated because there is nothing in the nation greater than the nation itself. When some tried to replace work with speculation, the people rose up in arms to reestablish the moral principle that only work can create a noble destiny. The nation was built with freedom and work, the way all great nations throughout history have been built, because freedom provides guarantees to those who make efforts, such as creators, inventors, and pioneers. Freedom provides the necessary protection of justice needed so the people can reap the fruits of their labor. Freedom can only be achieved through work. Men contain within themselves an unquestionable dignity and the nation has the necessary resources to defend their rights and choose their destinies.

On 10 December 1983, we began to reestablish freedom and work. We all decided to put an end to Argentine decadence in a march that perhaps will not be as long as the one by our forefathers, and not as hazardous as the one by our immigrant parents. However, this task will not be easy. It was easy to destroy the nation, but the necessary reconstruction will be difficult. This is why we went into the parks and streets during the 1983 electoral campaign, during the 30 October elections, and during the plebiscite of 25 November.

We confront a difficult task each and every day, in complete freedom, through political debates on all aspects of the national life. The Argentine people are talking about and carrying out the reconstruction of the nation. In the past 17 months, we have put all our efforts into reestablishing freedom. We have reestablished the freedom of the people, the freedom of justice, the freedom of education, the freedom of culture, the freedom of the press, the freedom of habits, the freedom of unions, and political freedom.

When the trial of the members of the three military juntas commenced on 22 April, we Argentines were reestablishing an essential principle of personal freedom: All citizens are equal before the law and should be responsible for their actions without any privileges when accused of criminal activities. We can be proud of the fact that these trials are being held in an atmosphere of freedom and justice, as our founding fathers would have desired. We are abiding by the obligations of their historical bequest.

In each one of these amends we have had to face the resistance, rancor, and even sabotage of those who imposed an authoritarian concept on the country. We have often found that our message has been maliciously distorted. Sometimes we have understood that the lack of a democratic habit has caused many men and women of goodwill to fail to understand our noble task or the great obstacles we have had to overcome. We recall and will recall all of this. During the restoration of each of these liberties, accusations invariably appeared of abuses that always proved to be false and that seemed to be aimed at making the Argentine people fear freedom. But we have felt no fear and we have been able to dismantle the traps, and therefore, gentlemen, today we live in a free nation. [applause]

Because of all we have done, I ask all of you to accept as final this recovery of freedom and at the same time that we become its permanent custodians. In this new atmosphere of freedom, it is possible to work, but while the reforms to establish freedom have been difficult and risky, the things we have achieved require and will require the citizens' protection and a constant and earnest reflection on the conduct of each one of us, as well as the restorative activity of work.

Those who destroyed the Republic imposed on us a philosophy of authoritarianism and speculation. Thus, the heritage of the work of our founding fathers was replaced with a morality of appearances for which the only important thing was the ostentation of wealth and superficial and materialistic success with no questioning of the origin of the splendors that were displayed. In no other era of our history has work meant so little as in the years we have left behind. No one should be surprised, then, that the material bases of the nation have weakened and that a crushing foreign debt was contracted without the rulers asking themselves about the work that would be entailed to pay back those credits.

Today, we know that destruction can only be repaired through the work of the Argentines, but the first thing we have to achieve is a moral reparation, so that the only legitimate ostentation in this land will be the ostentation of effort. By honoring and encouraging work, we are discouraging passivity and fighting speculation. All of us will do this all the time. It is not a question, as some people believe, of the government drawing up a 6-month or 4-year plan; it is a question of the nation choosing a lifestyle, because we all wish to live better and to enter the 21st century with the same bravery with which we crossed the threshold of the 20th century. [applause]

Our task will take an infinite number of forms. In every school, home, factory, labor union, and township, the citizens of this free nation will be able to applaud the one who makes an effort, reward the best one, encourage the sluggish, and censure the lazy. The government will impel and support this great change. Its first task will be to combat the sources of speculation, and this is the main content of the financial reform we have implemented and of the tax reform we have submitted to Congress.

The financial reform is aimed at making it possible for the monetary authorities to control the savings of the nation, so that instead of being invested in speculative activities, they are put at the service of production. In the past 17 months we have been trying to channel credits to serve those who produce, and for 17 months clever speculators have been frustrating our policies. This state of affairs is now at an end. I wish to tell the agrarian producers, the industrialists, and the families in need of housing that the financial reform we have initiated is aimed at making it possible for us to help them, once and for all, at least to the modest extent of our current means. We are undertaking this reform for them, and we reject the protests of those who have benefited from the climate of speculation we have inherited.

The tax reform that the executive branch has submitted to Congress is another point of departure for a number of changes we will make for the purpose of giving greater equality to a system that is definitely backward. Fair taxation is even more imperative during a time of crisis, when it is necessary to show how economic adjustment is in harmony with the policy of progress and social justice. The reform will also contribute to identifying and putting straight those who do not fulfill their tax obligations which, under the present situation the country is in, is the same as refusing to participate in the reconstruction effort.

It cannot be permitted that we postpone the claims of the workers and impose sacrifices on the managers of production or on the consumers who obey the law, while permitting a fourth of our wealth to circulate without regard to social duties. If we have to make sacrifices, we have the moral duty of first exhausting all means of authority to make illegitimate resources surface. The government respects and applauds the profits of the productive work of managers and wage earners, but legal obligations should be complied with by all, and this is another reason why we have proposed this tax reform.

Inflation is the most important and most critical field for speculation, and the most painful cause of the discouragement of work. The inflation from which the country is suffering is not only a matter of economic policy, it is rather a basic question for the rebuilding of our institutions. In the world of economy, money is the foremost institution, and it is this institution that no longer exists. When this happens and one no longer knows the value of his work, all values are subverted. It then becomes more important to acquire than to invest money, to speculate than to produce. We have reached that point, and we must move away from it. After almost 10 years of infighting, speculating, and hoarding, instead of working, taking risks, and producing, we can ascertain that we not only live in disorder and uncertainty but that this long practice has also caused structural damage to the country's economy.

The ruination of the productive sector has reduced millions of people to basic survival activities. The preference for speculation has prompted a great flight of capital and discouraged private and public investments year after year. In view of impoverishment, desperation has entered the public administration and the lack of confidence in the future has driven away national and foreign capital.

This is the consequence and at the same time the real cause of the inflation affecting the country, because production is no longer sufficient to satisfy society's needs and the products produced are declining in quality and staying outside the world race for progress. The Argentine people are working hard, millions are working very hard, but we are concentrating our efforts on nonproductive activities with inadequate equipment or with managers who in order to survive have had to limit their attention to urgent matters to prevent ruin.

The time has come to face this situation with new ideas. We will work with dedication, but it is necessary that we organize our work so that our efforts become fruitful. We must immediately begin to modernize the country. The starting point is the modernization of ideas and organizations. Modern results cannot be achieved with obsolete ideas and organizations. After many years of authoritarianism, the nation has not been able to discuss its problems. It became isolated from world changes, and it also became divided by rules that were most severe for those farthest from power.

In many aspects of the national life we live with ideas and organizations that were very good 40 or 50 years ago but have not been adapted to the changed world, to the desires of the people, or to the great complexity of a country that has seen its population double. Nowadays, these organizations are like a too-tight belt that cuts off our breath.

Therefore, we will have to summon courage to continually ask ourselves if our ideas are good, if our living standards are good, if the citizens' organizations are good. For many years we have been legislating and approving regulations that seem to be directed at citizens with little faith, creating a hopeless tangle of control from which we are all suffering. The men of goodwill, who are the majority of our people, see how their creative efforts are being obstructed and consequently feel unjustly suspected by government officials.

The real criminals act with impunity in a very complex system in which it is practically impossible to act against them. For many years we have been concentrating authority and centralizing all decisions. This is very useful for totalitarian objectives because by replacing and watching a few officials and leaders of the community, absolute power can be obtained.

If we want the 30 million Argentines to participate in creative efforts, and we know that this is the right way, it is necessary to have confidence in every citizen. This is important for the government and for nongovernment organizations.

Argentina has ceased to be an open society. We live surrounded by impositions, restrictions, and privileges that thwart innovative actions but favor groups that have staunchly established themselves in various organizations to serve their own selfish interests.

For too many years we have been replacing justice with influence. Authoritarian governments have scorned the dignity of the judicial branch and despised its governing functions. Today if we are to defend a legitimate right, it is more important to know the local technicalities of a vast range of legislation than to appeal to judges with simple reasoning based on the law. If we do not promote the reform of the judicial system, it will be impossible to replace the prevailing disorder in our laws and to demand better behavior.

Certain regulations, centralization, and juridical impotence undermine creative work, generate false needs for unproductive work, and block citizens from actively participating in the political decisionmaking process and in the implementation of these changes.

Fewer laws and regulations, exemplary judges, and trust in the citizens' capacity are basic requirements to decentralize the decisionmaking processes of government and social organizations. But let no one be fooled; if we are to achieve this goal we will have to confront the resistance of those groups that are entrenched in this sector, because they will oppose any changes. [applause]

The modernization of ideas and organizations is achieved through the modernization of the education system. The country needs to groom open-minded citizens who do not fear change but who have the necessary intellectual capability to be prudent. The country needs to promote the scarce human resources that are available. No one can overlook the fact that those nations that have achieved development during this century are those that have made education and research the center of their efforts.

Independence today relies more on the development of technology than on any other factor, and this is one of the most important ideas that the country must discuss and revise because, although a painful war has shown us this fact, we have yet to accept it.

Many people still think with the same criteria that prevailed during the first half of the century when natural resources and public services were the preferred fields in the struggle for leadership. Those who are able to change these criteria will be able to understand the emphasis we want to grant to the modernization of the education system, the freedom to be creative, and the priority we want to grant to science, technology, education, and culture.

But the modernization of the education system also means that we will have to raise our requirements, and this means we will have to start with the leadership, because if millions of Argentines have a low production level, it is mainly because those who are in charge of organizing labor have not resolved the problems that have arisen in a suitable manner.

We need to modernize equipment. This means that the nation will have to promote investments, which must be an immediate objective of the economic policy and a concern to be shared by every citizen. The first target along this line should be public services, because they are the backbone of the creative activity which becomes more and more essential as the nation's society becomes more complex.

When public services become outdated or no longer provide services, they compromise the life of the entire community. The modernization efforts must be carried out with dedication in the production of goods. In view of the current state of impoverishment prevailing in the country, we must ensure that the few available resources are used with the greatest prudence and ingenuity by the people responsible for guiding the productive sector.

Argentina needs intelligent, bold, and entrepreneurial businessmen. They have the combined necessary productive resources to expand wealth by multiplying what society has put in their hands. Being a businessman is a profession. Businessmen, whether they own capital or not, should use the productive resources with the highest sense of responsibility. We need to train this kind of businessman and to demand from them fulfillment of their social duties. Executives who hold high positions and use the community's resources for investing in areas other than the productive sectors should definitely be separated from the economic activity. [applause]

The country's entire modernization program requires the availability of important economic resources that Argentina does not have. The Argentine people are capable of creating them, but we believe that the creation of these resources will require redoubled dedication to work. The decision to postpone expenditures and consumption means that we are entering a time of hardship, a time of hardship because we have to work harder to produce what we do now and at the same time to produce the necessary tools for modernization.

We have never thought in terms of policies of impoverishment, but in policies of more productive work. This is why the efforts we are requring are completely different from the sacrifices proposed by the minority groups. We represent the people, and since we know their quality, we honestly believe in a recovery through work. This also means an invitation to the leaders of the working sectors to make efforts to guarantee the continuity of work because by demanding and often receiving special rights and privileges they are obstructing productive work and thus delaying the possibility of satisfying those rights or granting those benefits.

The right to strike guaranteed by the nation's Constitution is the last resort in a conflictive situation. Under the conditions prevailing in the nation, those who advocate strikes must realize that such a decision means obstructing the reconstruction efforts the country currently needs. [applause] The government tasks have been carried out in the midst of the real state of prostration of the government's organizations and resources. A long period of centralized authority, confusion, and mistakes among the different areas of public administration and the erratic evolution of salaries have left us with an ineffective government with discouraged government servants.

The state's reform program is the main instrument of the government. This has already begun. The course for government administrators has begun after two tests were given to the extraordinarily large number of applicants who applied. The entire country feels the need for government change, which can be seen by the people responding to the call with great interest.

The program of reforms will have another landmark through the establishment of a proper set of basic laws on public service which the executive branch hopes to conclude this year so as to submit it to congress pursuant to consultation with the sectors are directly concerned.

I will now speak about substantial aspects of the performance of the government, a report that is complemented by those of the respective ministries which have been placed at your disposal.

Honorable Congress, freedom prevails throughout the nation. The executive, legislative, and judicial branches worked jointly last year to make this happen, and this effort has influenced the life of the citizenry.

Since this is the normal status of this nation in keeping with the provisions of the national Constitution, the charter of this Republic, we must acknowledge this achievement and congratulate ourselves on it, because there have been few presidents who in the course of our history have been able to stand before you and make such a statement. [applause]

Government actions have been aimed at protecting and encouraging freedom in full awareness that this sorrowful and exasperated nation which we received on 10 December 1983 needed and still needs a leadership prepared to set minds at ease, channel complaints, and prevent outbursts. We have never tried to make authority prevail over convictions, even though the former may have brought a sort of apparent tranquillity. The actions of a people convinced that what they are doing is right can accomplish much more than the solitary act of a ruler, no matter how enlightened he may seem to be. This is the historically proven superiority of democracy over authoritarianism. [applause]

The nation has begun to debate its main problems. This debate started among the leaders, but has now spread into the homes of the citizens. We have grown used to talking and, better still, to listening, and all my fellow countrymen know that not only their vote but also their opinion counts. Thus, one must voice opinions knowledgeably, respectfully, and prudently. This is the final objective of the sustained efforts that the government has been making to hold talks and reach agreements, keeping open all channels for exchanging opinions even when faced with hostile attitudes and exaggerated procrastination.

I would like to convey my gratitude to those in the government and the opposition who have participated in this uphill task because despite disagreements, they have all contributed to considerably broadening the historical path toward national unity and democracy. Furthermore, the government has always acted on the premise that the freedom to talk and to listen can only exist in a framework of security capable of protecting the citizens against slander, threats, and political crimes.

We have guaranteed public security, and the results of this effort, though imperfect, show us that we are on the right path. Every citizen is aware of this new atmosphere which prevails throughout the country and this proves sufficiently what I have just said. The new prestige of the Argentine democracy in the world and the evidence of the respect which it elicits abroad is a happy confirmation that we are right.

In order to improve this policy of ours we have sought to move forward toward the required institutional reforms. The law for the protection of constitutional order which you have been kind enough to pass and the establishment of an organization for the production of constitutional order are proof of this. We hope that the current consultations for drawing up a statute for political parties will allow us to soon have a modern instrument for this aspect of civil life.

We are certain that most of the nation shares in our effort to strengthen democratic institutions and protect freedoms. This has been ratified by you and confirmed by the political parties, which stated in the document issued on 25 April this year: National unity is the imperative of the moment; national unity for the defense of the interests of the Republic, which is now confronting those who from within and without are plotting against it; national unity to overcome dependence and the conditions that have given rise to an unjustified and heavy foreign debt that hinders our development to the detriment of our living standards; national unity behind the great banners of social justice and freedom.

The national executive branch echoes this statement and I would like to inform the representatives of the people that in these remarks we have found encouragement to pursue the course we have set, because taking into account the severity of the nation's problems, it is illusory to expect a single political party, irrespective of its size and strength, to make the necessary corrections alone.

Honorable Congress: The changes in the life of the nation are the source of the renewed prestige the Republic has abroad. It is obvious that the new approaches and the quality of our public life has made world public opinion take an interest in us, listen to us, and recognize the legitimacy of our voice. It has always been like this. When the other peoples of Latin America hailed our armies and our flag in the wars for independence, the freedom we advocated abroad already prevailed within our borders.

Those who in recent years believed that the nation's foreign policy was something to be dealt with for the sake of publicity alone, disdained international public opinion just as they disdained the opinion of the Argentine people.

We have said that since we do not have double moral standards, we do not follow two policies. This is the basic principle which has enlightened our foreign policy. Any Argentine citizen may interpret and be informed about the philosophy of the government and reflect on our internal action, following the steps of our foreign policy, because there is only one government philosophy, openly expressed on various levels. According to this principle, the government implemented intensive international activity during the past year, and despite the distance separating us from other peoples, the daily life of of the Argentines has been marked by the presence of prominent world personalities in our country.

The agreements concluded with the Republic of Chile consolidate peace on our long western border and provide a definitive service to the great project of Latin American integration. The creative forces of Argentines and Chileans thus become available for individual or joint stabilizing actions in the vast southern territories, where we are to establish new civilized forms of life in that region of water and cold, unique in Latin America. When our forefathers concluded the first agreements with Chile at the end of the 19th century, they started up a southern civilization which in only 80 years has produced extraordinary fruits. In Argentine territory five provinces were born, now integrated into our federal system, as well as hundreds of towns and cities and economic activity on which our livestock, fishery, and fruit production depend to a large extent, as well as our energy supply. This great progress which is part of our immediate past should be evidence enough that peace is the only possible atmosphere for progress. Because of all this, we can now harbor the hope that the peace and friendship treaty with the Republic of Chile initiates a new era of creativity in which the Argentine spirit is expressed and the young generations take their place. [applause]

As regards the Malvinas Inlands, our position has continued to be categorical, that of not ceding a single step in the effort toward their full recovery, as well as the recovery of the South Georgia and South Sandwich Islands. There should be no doubt whatever that we will not leave this road, although we also repeat with the same certainty and clarity that the foreign policy of the Argentine democracy is based on the principle of the peaceful solution of conflicts among nations and the respect, in this specific case, for the decisions of the UN General Assembly. In this context we continue to hope that the distance that separates us from the United Kingdom is overcome, notwithstanding the stubborn intransigence shown so far by its government. It should hopefully be pointed out, however, that there are large sectors of British politics and public opinion which are beginning to take into account not only the highmindness of our action and our true will to resolve this conflict, but also the historical-political need of the United Kingdom to finally recognize the undeniable historical, geographical, cultural, and political rights of our country to the islands, naturally with the reservation of due respect for the interests of their present inhabitants, interests which we are absolutely willing to safeguard.

Because we have proclaimed peace, we have assumed an active campaign in favor of disarmament. Because peace cannot be achieved without justice, we have tirelessly strived to show that the prevailing international economic order is leading rich and poor nations, creditor and borrowing nations alike, toward a true political holocaust.

The history of humanity abounds with cases in which economic injustice has led to highly destructive events. Those nations that have been pushed into misery have defended their survival with the lives of their citizens and that is why we have demanded and shall continue to demand the immediate revision of an international economic order that has destroyed prosperity and is destroying the hopes of billions of human beings. [applause]

This is why in June 1984 11 Latin American nations gathered in Cartagena and issued a declaration called the Cartagena Consensus in which we noted the seriousness of this new foreign dependency. This meeting was followed by the second Cartagena meeting, held in Argentina in the city of the Mar del Plata. This in turn was followed by a third meeting in Santo Domingo, the Dominican Republic. Argentina also attended this meeting and actively participated in its development and decisions.

Just as we have defended the idea of having a more just economic order, we have also supported a just political order. Regarding the serious and worrisome Central American conflict, Argentina has firmly and fully supported the Contadora Group and its efforts to achieve a negotiated solution of the Central American conflict.

In this regard, we have insisted to each and everyone of our interlocutors on the need to achieve a peaceful and negotiated solution based on the following principles: to uphold the principle of nonintervention and self-determination of nations; to promote the establishment of pluralist democratic systems; and to condemn any expansion of the conflict in such terms that will place it witnin the framework of the East-West conflict. [applause]

Honorable members of Congress: On 10 December 1983 I told you that the Armed Forces cannot exist in a permanent confrontation with the civilian sector of society, and the achievement of the goal we have undertaken presupposes that the Armed Forces must return to their specific duties and that they must be subordinated to civilian authority established in keeping with the Constitution. The members of the Armed Forces have fully assumed and understood that this unavoidable goal is part of the institutional restoration process. It is proper at this time to recognize that the Armed Forces have made a conscientious effort to subordinate themselves so as to be able to find better solutions to overall national problems in a united manner. They have also understood that the role they must fulfill within the framework of the joint military plan that is being developed will allow them to safeguard national sovereignty in a better and more effective manner.

The Armed Forces are also perfectly aware of the critical economic situation in our country. This situation has affected their cadres and to a certain extent their equipment and training. But these restrictions will be gradually eased through the implementation of the military reorganization plan and when, through the joint effort of all Argentines, we begin to gradually but surely defeat the economic crisis we are suffering. We must also note that the Armed Forces have made a great effort within a difficult and even discouraging framework to confront this transition period with a praiseworthy spirit of service and by suggesting new alternatives with the objective of organizing a new, modern, and effective joint effort. It is within this framework that we are about to gradually achieve the united and concurrent interaction of all government branches so as to act in keeping with the Constitution which calls for the defense of the people.

Some plans within the framework of the military reorganization system continue to be under study. In 1984 we considerably decreased the defense budget so as to place it within the framework of the national budget. In keeping with this plan, the defense budget totaled 2.7 percent of the GDP. Moreover, the Armed Forces budget has experienced a decrease ranging from 4.2 to 4.1 percent of the GDP between 1983 and 1984.

Several military units have already been reorganized or eliminated and this has resulted in the reduction of cadres and equipment. But we must continue with this reorganization process so that we may meet budget allocations and so that we may overcome obstacles to the essential tasks of the Armed Forces.

Despite all this, the measures adopted safeguard the military defense capability, which is able to meet any national defense responsibility. The joint staff has been reorganized in keeping with its status as a higher body responsible for strategic military planning, while the Defense Ministry has been reorganized so that it may be able to meet its obligations of directing the Armed Forces.

But the reorganization being implemented will be completed and approved through the approval of the national defense bill, w ich has already been submitted to Congress. In addition to defining defense guidelines, the regulations included in this bill aspire to grant, effective, rational, dynamic, and appropriate answers to changing situations that arise during conflicts. Moreover, the bill clearly establishes the Armed Forces subordination to the president and constitutional institutions. [applause]

Within the framework of this reorganization process, we must note the drafting of a new academic plan for the national defense school, a plan which is fully in keeping with demands of current laws and norms. This new academic plan has been made more dynamic and is suited to the new criteria of national defense policy prevailing in the modern democratic world.

A modern and dynamic national defense policy demands the rationalization of the business activity of the sector. It is with this purpose in mind that we have drafted a bill which establishes the (General Sabio) Industrial Corporation Inc, which will succeed the National Military Industry Association. The lack of coordination between the military production organizations and bodies is already being amended through the centralization of business leadership at the Defense Ministry. This means that we shall end the duplication of effort and activities in different military enterprises. We shall be ablt to achieve the full production capacity of these enterprises. We have made joint efforts regarding the marketing of these products and centralized all tasks pertaining to research. In addition, the establishment of an external control policy exercised by the auditor's office of public enterprises has enabled us to overcome the problem of a lack of control which existed at the beginning of the constitutional administration.

The appointment of judges according to the Constitution has been reestablished after 1 year of work in which this honorable Congress and the executive branch have shown the effectiveness of the constitutional mechanisms to appoint them. Under the current political situation the executive branch and the provincial representatives have also discussed the qualities of every candidate. The judicial branch is now established according to law.

Now we are all working to guarantee through the legislative branch the quality of the judicial branch required by the Constitution, and I am certain that through continuous improvement we are going to establish a perfectly harmonious operation between the three branches of government. I would like to point out that the branches of government established by the Constitution have fully operated in harmony during the current administration.

Honorable Congress, the Ministry of Labor and Social Security has maintained as its main goal the reestablishment of the basic functions of labor unions by strengthening union representativity and full participation in a democratic society, in accordance with the Constitution. Keeping this in mind, the executive branch submitted to the honorable Congress the union reorganization draft law based on Article 14.9 of the national Constitution and Agreement 87 of the ILO. They were submitted as a result of the emergency situation affecting most unions which were being run by interventors appointed by the military government. As this honorable Congress did not approve the government's proposal, the executive branch had to resort to other measures to normalize the unions. Therefore, the Ministry of Labor and Social Security reached an agreement with the unions on ways to carry out the normalization process. A regulation was established by which the unions could choose between the administrative authority or the judicial branch. The executive branch, after approving the agreement, submitted it to this honorable Congress, which made it into Union Normalization Law 23061. Through this process we were able to achieve a democratic normalization with a high participation of members in union elections. It can be said that participation in union elections in many cases surpassed 90 percent, one of the highest in the history of union elections. We are convinced that this achievement will not be ignored. The workers have attained a high degree of participation in union elections and they will not reliquish that right. On the contrary, we expect an evolution toward a greater and pluralistic participation in the future. [applause]

We must acknowledge the fact that our social security system is, to say the least, unreal. It promises to pay pensions equivalent to 80 percent of wages and includes an escalator clause, but it barely pays 40 percent, even though the government has done everything it can to improve pensions. Each beneficiary is supported by just 1.6 contributors, which is less than half of what could be considered an acceptable minimum. We must increase the transfer of funds to finance this extremely important social purpose, without neglecting the fact that under the present circumstances any tax increase further burdens an economy which has to deal with a crisis.

Honorable Congress, throughout 1984 the nation's economy was marked by complex negotiations aimed at renegotiating the foreign debt; by the need to generate a trade surplus with which to pay foreign obligations by the urgency to reactivate a severely damaged and depressed productive sector; by the need to improve prevailing low salaries; and finally by the will to curb the growth of prices and keep them at socially and politically tolerable levels.

The most outstanding sign of the disarray in the Argentine economy is inflation, while the most outstanding result of past mistakes is the foreign debt. Throughout the past year the executive branch has made considerable efforts to put in order and renegotiate the burdensome foreign debt. Argentina's attitude in this regard has been invariably in keeping with the nation's manifest will. Our basic guideline is to seek with our creditors an agreement capable of preserving the balance between current obligations and the need to provide for the future, while making it flexible and realistic so as to cope with the complex nature of Argentina's economic problems, especially our severe inflation and our inalienable decision against accepting policies harmful to the nation's economy or capable of jeopardizing our social peace.

In our Latin American brothers we have found the necessary support, through the Cartagena Consensus, to have the political implications of this problem recognized. Our efforts to reactivate the productive sector led to a 2-percent growth of the GDP while the need to improve low salaries was partially satisfied by building up real wages. As a result of these actions, per capita consumption rose by 6.5 percent for the first time in 10 years. However, we cannot deny that this growth came together with a 12-percent decline in gross investments.

All these efforts, together with our permanent concern to curb inflationary pressure led to a policy designed to streamline public expenditures which the government has sought to implement, frequently amid a lack of understanding from other public administration sectors. In this regard we must mention that the gross public deficit was reduced through a reduction of expenditures by 8 percent, interest excluded, and by maintaining the level of income. The reduction of expenditures was a result of structural changes. The expenditures in the national administration budget under the headings of health, culture, and education, social welfare, and science and technology were 19.5 percent in 1983, while they were 32.3 percent in 1984. The expenditures for general administration, defense, and security decreased from 30.3 percent in 1983 to 28.7 percent in 1984.

The very large fiscal deficit imposes, however, new measures to reinforce the action undertaken and make more immediate corrections. To this end, the national government has drawn up an emergency fiscal program, which we announced today and whose main features are: In the field of public expenditure the measures affect the state enterprises and central administration. We have set the goal of a 12-percent reduction in expenditures for 1985. For this purpose steps are being taken, in the case of the state enterprises, to adjust the investment budgets and the expenditures for goods and services. In the central administration, savings measures have been taken in various programs, according to the results of the first months of the year. The national government has decided to maintain these guidelines, while at the same time instructions will be given to to impose stricter control on the policy of contracting and hiring of personnel.

When implementing the policy of a public expenditure reduction, the national government will be particularly careful to review its commitments in such a way that social services guaranteeing the basic welfare levels of the population, particularly the poor, will enjoy priority.

In the field of resources, the fiscal emergency program rests in the first place on additional tax measures. These include the shortening of terms for paying the value added tax, the establishment of an alternative due-date system for this tax, and the creation of a compulsory savings system.

Second, the program includes measures aimed at improving the income of the treasury by adequate financing of public enterprises. The emergency fiscal program also aims at improving the financing of the social security system, making the increase of the real level of pensions subject to the development of resources. When the provisional moratorium is under say it is also expected to increase the income of the social security system and reduce evasions.

In conclusion, it is the intention of the national government, in the framework of this program, to comply with federal participation, according to the true development of tax income subject to distribution. The provincial deficits accumulated during 1984 will, on the other hand, be attended to within the limits imposed by the current fiscal emergency.

All the measures announced are intended to have a prompt effect on reducing the inflationary financing of the public sector. This is a situation which cannot continue any longer because it hinders the achievement of the aspirations in welfare and progress of the population.

The struggle against inflation has a central place in the current situation, but it is not the only task of the national government. The growth strategy defined at the beginning of the year recognizes that the expansion of exports and the encouragement of private investment projects are of basic importance. This guiding principle, which we have called the positive adjustment, is the strategic alternative to the chronic stagnation of the Argentine economy and to the restrictions imposed by the burden of the foreign debt. The expansion of exports permits the payment of interest on the debt and an increase of imports, thus creating the conditions for growth. The undertaking of private investment projects makes this growth effective.

The reactivation of the fishery industry has been considered by the national government as one of the pillars to consolidate and expand our export markets, contributing to economic growth, so that Argentina will occupy the prominent post to which it is entitled because of its undeniably rich resources. This is also clearly indicated by its 4,000 km of sea coast, its broad continental platform, and its South Atlantic islands, which cover over 1 million sq km of Argentine sea. Together with this expansion there are other goals, such as the need to defend the 200-mile principle and assert our sovereignty over areas of exclusive exploitation, mainly through the activities of national fishery enterprises and by preventing the depredations of our resources by foreign fishing fleets. It is also of basic importance for internal development to speed up the development of the coastal region and the Patagonian region.

Without locally available funds, without being able to increase our foreign debt, and with having to keep operational state corporations that have run out of capital while being unable to increase utility rates out of consideration for the relative poverty of our consumers, the entire public works and services policy has become an exercise in maintaining a precarious balance.

We have searched for realistic solutions to problems in the transport sector, trying to keep operational our port system which is being constantly strained by our grain exports. We have done our best to maintain the highway network to avoid hampering the economic activities of the nation to the extent possible. We have done the same in the railroad sector, and we have managed to considerably increase usage.

The nation cannot give up its future, but neither can it lose touch with the requirements of the present. We have tried to keep operational projects which, like Yacyreta, constitute prospects of continuing progress, and we hope that the first turbine of the above-mentioned dam will become operational in 1991.

The field of nuclear energy encompasses essential national interests, and well-known economic difficulties have not stalled the work in this sector although we have had to reshuffle priorities. Our main concern has been to preserve human resources and the organization, since we are well aware that those two elements are the irreplaceable heart of our future in the field of atomic energy and the means for technological and scientific advancement in many productive areas.

Honorable Congress, a few days ago the people, who are the main participants in a democracy and a mobilization, through their representatives in this Congress, gave unmistakable proof of their decision to defend and strengthen the democracy recovered by the Argentine people. [applause]

The defense of the democratic institutions, I repeat [words indistinct] for national unity [words indistinct] demanded by society shows us how our strength emerges from democracy to face the hardships without ignoring reality, and to carry out the great efforts demanded from us. Sacrifices without hope are not possible or lasting. Therefore, every Argentine must realize the magnitude of the efforts that must be made, and also become aware of the hopes emerging from this effort. We are talking about well-founded hopes and not vain illusions, because if it is suspected that the efforts of some will serve to enrich others, and if the efforts of society do not find an answer from the government, no one will be willing to continue in this struggle.

Therefore, equity is the basic premise for the efforts for Argentine reconstruction. The country is not the government; therefore it is not a question of making efforts for a government. This enterprise belongs to everyone, but the responsibility to lead does belong to the government, a responsibility we have fully assumed. [applause]

Today in this room, which overwhelmingly represents national sovereignty, I want to reassert what I said a few days ago, that is, that my government did not come to power to fill the gap between two military governments. [applause] We are willing, and in so doing we interpret the will of all citizens without distinction, to eradicate forever the causes that have led to political and economic failures and thus end a long period of irresponsibility.

We shall not only defend political democracy, but we shall also strive to build social democracy, and this is only achieved through increasing participation. Therefore, it is essential that all Argentine citizens understand that the responsibility for building the Argentina we dream of is the duty of every citizen. The government will do its duty; it will open doors, unlock the economy, encourage the efforts of a nation to strengthen the restoration of democracy; it will not be frightened no matter how serious the crisis that it faces. [applause]

Therefore, the successes that will be achieved will not merely be the successes of the government, but the achievements of the people; the plans will not be the subject of [word indistinct], but goals to be undertaken through a joint effort; and obstacles will not merely be the concern of a team, but the challenge of the whole. They will be the successes, the plans, and the problems of all Argentine citizens. All of us will be the designers of this task that will crush irresponsibility and that will enable us to achieve the strong, dignified, and solidary Argentine nation that we all deserve. [applause]

I hereby declare open the 102d regular session of Congress. Thank you very much. [applause]

BEAGLE TREATY WITH CHILE RATIFIED IN VATICAN

PY021246 Buenos Aires TELAM in Spanish 1015 GMT 2 Mar 85

[Text] Vatican City, 2 May (TELAM) -- Argentine Foreign Minister Dante Caputo and Chilean Foreign Minister Jaime del Valle today ratified the peace and friendship treaty signed by their two countries within the framework of the papal mediation. This treaty has ended a century-old dispute between the two countries over the Beagle Channel and the southern end of the American continent. The ceremony took place before the Vatican consistory and was attended by high church dignitaries and by His Holiness John Paul II, who has mediated in the conflict since the signing of the Montevideo agreement 6 years ago by Presidents Videla and Pinochet in the presence of late Antonio Cardinal Samore.

TROCCOLI CITED ON CONCERN OVER RECENT ATTACKS

PY022350 Buenos Aires TELAM in Spanish 1956 GMT 2 May 85

[Text] Buenos Aires, 2 May (TELAM) -- Interior Minister Antonio Troccoli today told the leaders of the Association of Buenos Aires Journalists [APRA] that the government is extremely concerned over the recent attacks and threats against journalists, especially against Radio Belgrano. This was reported by APRA Secretary General Carlos Zubiza and by Oscar Spinelli, Juan Carlos Caamano, and Juan Jose Pereyra, leaders of the same association, after they met with Troccoli to demand a thorough investigation of the events.

In remarks to the press at Government House, Subiza stated that they expressed their concern to the interior minister because a list reportedly is being prepared of fellow journalists who will be the next targets of attack. In answer to a question on whether the list is being prepared by sectors linked to General Benjamin Menendez, Troccoli was noted as stating that he did not believe that it could be linked to Gen Menendez, but probably to sectors associated with General Ramon Camps.

Commenting on the issue, Spinelli stated that the minister told them that only one sector must be involved in these actions aimed at disrupting society and attributed them to a man named Ruffo, Anibal Gordon's former partner who is at large. Subiza said that Troccoli reported that these groups are linked to the repressors and to the task forces that acted during the dictatorship. He revealed that Troccoli added that his ministry will investigate these events as thoroughly as possible to discover the attackers and that he is confident of identifying those responsible.

Subiza went on to say that they also asked the interior minister about the situation in Santiago del Estero, where the legislative authorities have issued a law that he called a gag and that is, in his opinion, part of a set of measures against the free exercise of the profession and the freedom of expression. In this regard, he stated that the minister asked for all the information on the case in order to conduct an investigation.

Regarding the request about our fellow journalists who are either detained or missing, Troccoli told us, Subiza said, that the government has already given an answer and that there are no official prisons in the country where detainees are being held illegally. Asked about the government's sources reporting the probable involvement of sectors linked to Gen Camps with these events, Subiza stated: We did not inquire about the sources; we only discussed the report that lists are being made of attacks to be carried out against journalists, as was done before 1976. In answer to our concern that these attacks could come from Gen Menendez, the minister told us that they do not come from Gen Menendez but probably from sectors linked to Gen Camps, the APRA leader stated. Commenting on the measures the government has adopted to identify those responsible for these attacks, he stated that all the security forces have been put to work in the investigation of these events. Subiza also revealed that the minister told them that the state's capacity could not be overrestimated nor could they underestimate the capacity of the criminal groups, because we are just emerging from a period when the state security apparatus was at the service of repression. According to Subiza, Troccoli added that the security apparatus has now been placed at the service of democracy and that it is being reorganized, and that only now are steps being taken to reestablish the state intelligence service.

SECOND ATTACK ON RADIO BELGRANO REPELLED

PY021534 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0955 GMT 2 May 85

[Text] Buenos Aires, 2 May (NA) -- A group of unidentified individuals today again attacked the Radio Belgrano station and fired shots at the policemen standing guard, who managed to repel the attack. No injuries or arrests have been reported. The attack took place after 0100 today and was the second one against the station in a short span of time; on 29 April explosive devices destroyed the station located in Hurlingham, western greater Buenos Aires. The rifle and handgun shots were believed to have been fired from a canoe in the Reconquista River. The attackers, who were not identified, were able to escape. The attack was repelled by several policemen guarding the station and no one was injured during the shootout. Since the 29 April attack Radio Belgrano has been broadcasting with equipment provided by Radio Nacional. The Buenos Aires Provincial Police have been conducting investigations to identify the perpetrators of this new attack.

POSSIBLE CANCELLATION OF NEWSCAST PROMPTS ALERT

PY020347 Buenos Aires DYN in Spanish 2257 GMT 1 May 85

[Text] Buenos Aires, 1 May (DYN) -- The Interchannel Commission has placed workers of the four metropolitan television channels on a state of alert over rumors of the possible cancellation of one of the newscasts of Argentina Televisora Color (ATC), which would be replaced by a different program. A communique from the Interchannel Commission, which is composed of labor delegates from Channels 9, 11, 13, and 7 (ATC), says that "we are concerned and alarmed about the abrupt decision to cancel a newscast at a time when the country's democratic life imposes the obligation to publicize news in order to keep the people well informed." The communique also indicates that "in view of the fact that the new programming, about which we have learned unofficially, no longer includes the '30 Millions 2100 newscast,' the Interchannel Commission calls for a state of alert to begin at once." It adds that the decision is based on the following points: 1) the fact that ATC will be deprived of a nationwide newscast at prime time; 2) the number of local stations in the interior that will be deprived of the most widely transmitted newscast and, consequently, deprived of information; and 3) the uncertain situation the personnel now working in the "30 Millions Newscast" will face.

FOREIGN MINISTER ON U.S. EMBARGO OF NICARAGUA

PY030144 Paris AFP in Spanish 0115 GMT 3 May 85

[Text] La Paz, 2 May (AFP) -- Bolivian Foreign Minister Edgar Camacho Omiste said here today that Bolivia hopes that the U.S. decision to blockade Nicaragua economically will not worsen the already very tense relations between the two countries.

The foreign minister recalled that Bolivia also suffered trade embargoes after it nationalized the tin mines in 1952 and that this is a practice condemned by international organizations.

Camacho Omiste indicated that Hernan Siles Zuazo's government will make an official announcement on the case of Nicaragua after it observes how the situation develops.

COMMUNIST PARTY STATEMENT CONDEMNS EMBARGO

PY030054 La Paz Cadena Panamericana in Spanish 0000 GMT 3 May 85

[Text] In a statement released to the communications media, the pro-Moscow Bolivian Communist Party states that the embargo the Reagan Administration has imposed on Nicaragua, represents a criminal act of aggression in the escalation of the U.S. intervention against the Sandinist revolution.

The Reagan administration intends to subjugate the sovereign will of the Nicaraguan people, in an open ratification of the aggressive policy of the current U.S. Administration, the Communist Party states.

The Bolivian Communist Party harshly criticizes this decision adopted by the U.S. Government.

POLICE FIND WEAPONS IN CENTRAL BANK OFFICES

PY030031 Madrid EFE in Spanish 2337 GMT 2 May 85

[Text] La Paz, 2 May (EFE) -- According to a report by Interior Minister Federico Alvarez Plata, the special security group of the Bolivian Police today found machine guns, pistols, carbines, and munitions in offices of the Bolivian Central Bank.

The minister did not give any further details. He limited himself to saying that his ministry and the police immediately started an investigation into where the weapons came from and their current legal status.

The police are guarding the bank building after a strike by its employees, who are resisting an audit that has been ordered by the country's comptroller general.

The weapons were found in the Central Bank's office to which very few people have access. The weapons are now in the hands of the Bolivian Police.

LEBANESE CONSULATE IN SAO PAULO OCCUPIED

PY030028 Paris AFP in Spanish 2311 GMT 2 May 85

[Text] Sao Paulo, Brazil, 2 May (AFP) -- It was reported here today that a so-called Lebanese Salvation Front, whose spokesman did not want to identify himself, has peacefully occupied the Lebanese Consulate in this capital. The group is protesting the massacre of Christians in Lebanon, by Muslims, Druze, and Palestines. It has announced that it will remain in the consulate for an indefinite period.

REPORTAGE ON LABOR UNREST, DEMONSTRATIONS

Federal Police Ready

PY021508 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 2 May 85

[Text] Federal Police personnel have been in a state of readiness in the face of the strikes now under way in Sao Paulo. Speeches delivered yesterday at the Praca da Se rally were recorded and the respective analysis of these speeches will be submitted to the Federal Police director in Brasilia and to the justice minister.

Police Commissioner Romeu Tuma has said that the entire population will be affected by the strikes in basic services such as water, electricity, transportation, and communications. Strikes are forbidden by law in these sectors.

Ministers Comment

PY030322 Brasilia Domestic Service in Portuguese 2200 GMT 2 May 85

[Excerpts] In Brasilia, Civil Household Chief Jose Hugo Castello Branco today made an assessment of the strikes being held in the country and explained the government position:

[Begin Castello recording] The government is serenely and calmly watching the strikes being held, trying to keep them not only within the framework of the employer-employee relationship but also within the strict limits of the law. This is the position adopted by President Sarney. The attorney general of the labor court is in charge of adopting the appropriate measures provided by law to see that laws are respected, because if the laws are not respected, the obvious result will be chaos. [end recording]

Justice Minister Fernando Lyra today stated in Sao Paulo that the general situation regarding the strikes is calm, with good prospects for negotiations. He said that the current legislation is no longer in keeping with the country's current situation, because it places the government [words indistinct] the union freedom or the enforcer of the law demanding repressive measures against the strike movements.

He added that the government is trying to maintain peace and order, and is also trying to find the appropriate instrument for democratic coexistence.

The justice minister was at the Heart Institute of the Clinical Hospital for a routine test, and on leaving he said that the results were normal.

In Sao Paulo, Industry and Commerce Minister Roberto Gusmao stated that the strikes must be respected, provided they are held in an orderly and peaceful manner.

During (?his visit) to Sao Paulo, Labor Minister Almir Pazzianotto held meetings with various labor leaders who are striking and with employers. Pazzianotto made an analysis of the situation, expressing confidence in the solution of the problem.

[Begin Pazzianotto recording] I believe that in the case of the air traffic controllers, we are very close to a solution. Maybe it will not be reached, but the groundwork for an agreement has been set. In the case of the airport ground and flight personnel, there are some alternatives for an agreement, and in the case of the subway and railroad workers, a proposal has been forwarded to the legislative assembly. Thus, the situation is not too serious. [end recording]

The message from the minister to the employees and workers is this: Negotiate.

Minister Pazzianotto asked the workers to be tolerant and to try reach an agreement.

40 Strikes in Progress

PY021439 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 2 May 85

[Text] There are more than 40 strikes under way in the country. The most significant strikes are taking place in Sao Paulo, that is, those called by metalworkers of the auto manufacturing sector. There are also threats of strikes in the public transportation sector.

Jair Meneguelli, president of the Single Federation of Workers, has said that the rally staged yesterday at Praca da Se in Sao Paulo could be the starting point for a campaign to call a nationwide general strike this year.

In Brasilia, President Sarney stated that although he respects the rights demanded by the strikers, he will not tolerate occupation of factories and damage to private property. The labor and justice ministers arrived yesterday in Sao Paulo to seek negotiated solutions within the law.

Upon leaving Brasilia, Justice Minister Fernando Lyra said:

[Begin recording] I hope to find understanding from the businessmen and from the workers so that we can overcome, as we are overcoming, this strike, which is a legal weapon of the workers but which should be exercised according to law. [end recording]

Railway Strike

PY021920 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 2 May 85

[Excerpts] Federal railway workers have suspended their strike. In the meantime, bus drivers and conductors have been on strike in Sao Paulo since midnight.

Despite some picket lines that gathered near the busiest bus stops in Santo Amaro, some buses are circulating, with the protection of military police personnel, who have already dispersed at least three picket lines in Santo Amaro.

In the downtown area of Sao Paulo, bus services have been only partially available since early this morning.

201 Buses Destroyed

PY030455 Sao Paulo Radio Bandeirantes Network in Portuguese 0328 GMT 3 May 85

[Text] At this time, the most negative result of the strike being held by the Sao Paulo bus drivers and conductors is that dozens of buses and [words indistinct] have been damaged.

The first day of the strike did not significantly hinder the transportation of passengers [words indistinct].

There were moments of violence when police and strikers confronted each other. The police even attacked journalists and photographers.

[Begin report by newsman (Renato Lombardi)] Today's strike by Sao Paulo drivers and conductors has witnessed many clashes between picketing strikers pickets and the military police.

The arrest of 136 persons and the plundering of 201 buses, most of them with broken glasses [words indistinct].

Thirty people have been injured and information reported [words indistinct] that professional agitators made up the pickets.

The military police seized pieces of wood with nails, iron devices to burst tires, [word indistinct], and iron pieces also used to [words indistinct], as well as daggers, knives, and two revolvers.

[Words indistinct] the first few hours and, after registering them, the detainees were set free and (?they returned) to the strike lines.

[Words indistinct] the agents did not allow [words indistinct] to the police station and early in the evening the commander of the [word indistinct] in Sao Paulo reported that 85 percent of the privately owned buses and 70 percent of the (?INTC) buses were circulating in Sao Paulo without incident.

The military police as well as regular police remain in a state of readiness.

Bus Strike Ends

PY030429 Paris AFP in Spanish 0406 GMT 3 May 85

[Excerpts] Sao Paulo, 2 May (AFP) -- It was announced tonight in Sao Paulo that the leaders of the Drivers and Conductors Union have accepted the proposal of the businessmen of the urban transport sector of this capital and that they will lift the strike that started on the morning of 2 May in demand of salary hikes.

The strike has harmed 6 million travelers at a time that the strike of the metalworkers, which began 3 weeks ago, in Sao Paulo's industrial sector is continuing.

In comments to the press, Sao Paulo State Governor Franco Montoro said that rightist agitators, who want to return (to power), and leftist agitators, who want chaos, are the ones responsible for the wave of strikes that is hitting the country.

Michel Temer, Sao Paulo's secretary for public security, has stressed that the police were obliged to intervene energetically in order to contain the violence of the strikers, and he added: We will respect the right to strike, but not chaos.

POLITICIANS NEGOTIATE TO STRENGTHEN AD PACT

PY020235 Madrid EFE in Spanish 0750 GMT 1 May 85

[Text] Rio de Janeiro, 1 May (EFE) -- Sources close to the executive branch have stated that the strengthening of the political pact that carried the Democratic Alliance [AD] to power through indirect elections is one of the premises that the Brazilian Government will uphold to guarantee the continuity of the democratic process.

With that objective in mind, President Jose Sarney has held meetings with leaders of the ruling Brazilian Democratic Movement Pary (PMDB) and the Liberal Front parties to tell them about the so-called Brazil project, which establishes the groundwork for implementing a broad political pact in the short run. The Brazil project proposes that politicians work to avoid the dispersion of the ruling factional forces that supported the Tancredo Neves-Jose Sarney ticket to lead the democratic government in Brazil, which assumed office on 15 March.

The proposal will be discussed in Brasilia next week among the ruling congressional groups which will create a political council that will study the implementation of a number of measures seeking to invigorate the constitutional process. According to the sources, Sarney has met with the members of his government to discuss the appearance of internal disagreements in connection with the implementation of a so-called social pact of workers, bsuinessmen, and government which will give his government room to implement measures to overcome the economic crisis, which has turned into the democracy's chief obstacle.

Sarney has decided to discuss all the national problems afflicting Brazil with the leaderships of the labor, business, political, and other productive sectors in the country, the sources noted. The ruling political forces, under the umbrella of the Democratic Alliance, are also studying the possibility of incorporating new political fronts to strengthen the state of law which began 45 days ago after 21 years of dictatorial military regimes. Sarney's plan is to start a broad dialogue with all the representative sectors in Brazil to discuss issues like the foreign debt and the negotiations with the IMF, the constitutional amendments, and the economic crisis afflicting the country.

Sarney must call a constituent assembly by late 1986 in order for it to meet by early 1987. This will be charged with studying a number of constitutional amendments, among them, the definition of the democratic government's term, a probable reduction of the current presidential term, and a subsequent call to hold new presidential elections by the direct-ballot system. The opposition parties have proposed to move the presidential elections up to 1988, that is, to reduce the term currently provided for under the Constitution from 6 to 4 years. The government, leadership has favored this proposal, but has stated that only a constituent assembly may decide on this matter. The demands by some left-wing parties, like the one made by the Workers Party (PT), which is led by Jose Inacio da Silva, Lula, to hold direct elections now has not found acceptance at the National Congress. Top congressional leaders have emphasized that the priority in the political field is to strengthen the democracy by strengthening Sarney's current term.

MINISTRY REFUSES COMMENT ON U.S.-NICARAGUA TIES

PY021852 Santiago Domestic Service in Spanish 1730 GMT 2 May 85

[Text] Chilean Foreign Ministry spokesman Marcelo Padilla has stated that it is not fitting for the Chilean Foreign Ministry to issue an opinion on the appointment of the new U.S. assistant secretary of state for Latin American affairs. Padilla was referring to the appointment of Elliott Abrams, who has replaced Langhorne Motley. Asked how this new appointment will affect Chile, Padilla said that the appointment of persons or of high-ranking government officials does not affect government policies. He added that policies are established by governments and that, furthermore, it is not fitting for the Chilean Foreign Ministry to comment on it since it is strictly a domestic affair. Asked whether he thought that Motley seemed to have a more favorable attitude toward Chile than Abrams, Padilla said that the Chilean Foreign Ministry will not issue an opinion in this regard. He reiterated that the Foreign Ministry will not issue an opinion on this new appointment.

Regarding the Chilean Foreign Ministry's position on the state of relations between the United States and Nicaragua, Padilla said that this is a bilateral issue. He added, however, that the Foreign Ministry is studying the position that Chile will adopt if the U.S.-Nicaragua situation is taken to a multilateral forum.

PROTESTERS, POLICE CLASH IN CONCEPCION, SANTIAGO

PY021739 Buenos Aires Domestic Service in Spanish 1600 GMT 2 May 85

[Report from Santiago Radio Chilena by Mario Portugal]

[Excerpt] Monsignor Jose Manuel Santos, the vice president of the Chilean Episcopal Conference, yesterday held a mass for Saint Joseph, the worker. Bishop Santos said that the workers' situation in the country is worrisome. At the end of the mass, groups of persons who had attended the mass staged a demonstration, shouting antigovernment slogans and clashing with police. Approximately 20 of them were arrested.

Something similar happened in Santiago yesterday. The main ceremony marking Workers Day was held at the headquarters of the SUMAR [expansion unknown] trade union on Vicuna Mackenna St. The main speaker was Manuel Bustos, vice president of the National Workers Command. Manuel Bustos called for a broad agreement capable of uniting all Chileans around common interests related to the situation in the country. After listening to Bustos, the workers clashed with the police, who used watercannons and teargas grenades. Approximately 15 demonstrators were arrested.

POLICE ARREST MIR TERRORIST, CONFISCATE ARSENAL

PY022014 Santiago Domestic Service in Spanish 1730 GMT 2 May 85

[Report from Concepcion]

[Text] Regional Government Secretary (Nicolas Tirapegui) at noon today told the local media that the authorities are looking for the accomplices of subversive Esteban Edgardo Arias Obreque, a member of the Movement of the Revolutionary Left, MIR, who was arrested today and place at the disposal of the Talcahuano Navy Court.

Arias was arrested after the police discovered an arsenal in his house, the address of which has not been disclosed. The arsenal, which was exhibited to the press, included: one homemade shotgun with two 16-mm cartridges; one powerful Vietnamese-type explosive; two navy uniforms; four red balaclavas; one Tala 22-mm pistol and bullets; one military police [identification] bracelet; and many MIR pamphlets and instructions. At the time of his arrest, Arias was carrying a Belgian (?Brookenight) pistol, a cartridge containing 13 9-mm bullets, and a detonator with a fuse and primer.

The investigations show that Arias and other subversives, who are still at large, were planning to carry out terrorist attacks during the 1 May ceremonies. Moreover, the Navy courts and security forces are investigating whether Arias previously participated in terrorist activities in the 8th Region. It must be noted that the police and security forces will continue their investigations aimed at neutralizing all terrorist activities and thus safeguard the people. The national intendant's office will issue further communiques in this regard later this afternoon.

GOVERNMENT BANISHES 12 PERSONS TO SOUTH

PY010340 Paris AFP in Spanish 0029 GMT 1 Mar 85

[Text] Santiago, 30 Apr (AFP) -- The Chilean Military Government today banished 12 persons to remote areas in southern Chile after the police arrested them, along with another 252 persons, while they were participating in the celebrations marking the 52nd anniversary of the Socialist Party of Chile (PS).

The persons banished are: Rosa Ester Rodriguez, Enrique Lopez, Erica Lopez, Miguel Angel Arancibia, Sergio Contador, Manuel Dinamarca, Sergio Edwards, Victor Gasc, Juan Gutierrez, Eugenio Madrid, Nelson Paz Campos, Hector Pena, and Victor Reyes.

The massive arrest took place while the members of the PS, whose top leaders was the late President Salvador Allende (1970-1973), were holding a cultural and artistic festival along with leaders from several opposition organizations. Five days ago, the regime led by General Augusto Pinochet ordered the release of 88 detainees who were serving a 5-month banishment sentence in the desolate fishing inlet of Pisagua, 2,000 km north of Santiago. Nevertheless, 179 persons are still banished in Pisagua, charged with committing misdemeanors and being engaged in subversive activities.

COLUMNIST WARNS AGAINST POLITICIZING UNIONS

PY011442 Santiago LA TERCERA DE LA HORA in Spanish 17 Apr 85 p 2

[Commentary by Gustavo Cuevas Farren: "Union Elections and Transition"]

[Text] Santiago's newspapers have kept us informed about the various elections that in the next few days will partially or fully renew the leadership of several labor and professional unions as well as that of the Federation of Catholic Universtiy Students (FEUC). There is nothing odd about this information, and neither would it deserve to be analyzed particularly were it not for the fact that in all these elections a rivalry has been established between the lists that represent ideological stances identified with Chilean political sectors. In other words, the labor unions have once again been occupied by political leaders who intend to measure their forces and expand their ideological influence in this field.

In the case of the FEUC, this political manipulation is more obvious and more repugnant because it affects a youth organization which -- we hope -- is formed by girls and boys who in the near future will make up the nation's leadership. Moreover, as a Santiago newspaper disclosed last Sunday, the list that is considered the "opposition" to the government is formed and, naturally, actively supported by the Democratic Popular movement that the Surpeme Court -- in a historical sentence -- declared illegal because it violates Article 8 of the Constitution.

Therefore, in view of this extreme politization of the unions, is it right to continue believing that the strengthening of social power, that is, of the intermediate levels, will prevent the political parties from monopolizing the citizens' representation and participation as established by the 1974 declaration of principles and as implicitly stated in the 1980 Constitution? Can this phenomenon be prevented by merely maintaining a political recess based on a mesh of legal norms that the country, as can be seen, is not complying with? Does delaying the political participation really represent a realistic and useful alternative?

I am certain that no person or specialist is currently able to provide answers to these questions that will guarantee that our country will not resume those vices that disrupted our democratic system, because these problems are complex and evolutionary and project themselves to several spheres of national life. However, it would be extremely wise if the nation's authorities and social and political leaders decided to confront this problem as soon as possible, acknowledging as a problem this really premature obsolence of the Constitution, which is not capable of providing for a social situation that has gotten out of hand and taken paths different from those designed by the basic legal norms.

Because of the lack of space in this column, I am not going to reveal my ideas on the formal and substantive strategies that could be followed, despite the lack of time, to turn the transition process into a phase where we can prepare a renewed institutionalization that would also eradicate our worst and most harmful political habits. However, I have deemed it my duty, as a Chilean citizen, to voice my displeasure over a situation which -- should it spread and deepen -- will lead the entire institutionalization effort that has been developed for more than a decade to the brink of failure.

OPPOSITION WINS 9 OF 10 BAR ASSOCIATION POSITIONS

PY012147 Paris AFP in Spanish 1431 GMT 1 May 85

[Excerpt] Santiago, 1 May (AFP) -- The centrist sector opposed to the Chilean Military Government of President Augusto Pinochet has achieved an overwhelming victory in the elections to renew the board of the Chilean Bar Association, those in charge of the tally reported today. The ticket, made up of Christian Democrats and Social Democrats, obtained nine of the 10 posts in question.

Centrist Francisco Bulnes won the remaining post. Among the government supporters. Bulnes holds an independent position regarding many policies established by the regime that came to power 11 years ago. The plurality victory among the candidates was obtained by Christian Democrat Jaime Castillo Velasco, one of the prominent leaders of the campaign against the violation of human rights attributed to the military rulers. The leftist opposition presented separate party tickets and each of them received very few votes. The defeat of the government supporters at the elections of the Bar Association is added to other defeats experienced a few months ago by several union and social organizations.

GABRIEL VALDES DESIGNATED AD PRESIDENT

PY022152 Madrid EFE in Spanish 1831 GMT 2 May 85

[By Senen Conejeros]

[Text] Santiago, 2 May (EFE) -- After months of studies, talks, and discussions, leaders of the eight most important Chilean opposition parties have reorganized the Democratic Alliance [AD] and designated Gabriel Valdes as its president. The former foreign minister of Eduardo Frei's Christian Democratic government today assumed the presidency of the Alliance for a 6-month period.

Another important change is the formation of an executive committee made up of the presidents of all the parties that make up the AD.

According to the changes introduced by the opposition group, the presidency will be changed every 6 months among the presidents of the following parties: the Christian Democratic, the Radical, the Republican Right, the Social Democratic, the Socialist, the Liberal, the Popular Socialist, and the Peasant Workers Movement [MOC]. A permanent Executive Secretariat entrusted to Christian Democratic leader Raul Troncoso, former minister secretary general of government during Frei's administration, was also created by another agreement. The AD leaders have also created a post for the vice president, who will soon be elected by the executive committee.

On reporting these agreements, Valdes told EFE that a call has been made to all political movements working for democracy through nonviolent means to begin action in different fields. Among these actions the AD president mentioned the struggles against the state of siege and repression; for the reestablishment of the freedoms of expressions, the press, meeting, and political activity; for the end of exile; for the clarification of the recent crimes and the punishment of those responsible; and for the denunciation of the government's lack of action to overcome the effects of the recent earthquake. According to AD sources, this document is ready and is only awaiting the executive committee's approval, which will take place over the next few days.

The new AD president added that the constitutional pact will be signed this week and that it will be handed over to all social and political movements that may accept its provisions to sign it themselves. This document, which is based on the studies carried out by the most outstanding opposition legal experts under the presidency of former justice minister of the Popular Unity Party, Manuel Sanhueza, includes essential norms that will serve as the bases for the constitutional order of the future democracy. Valdes reported that on 5 May he will leave for the United States at the invitation of the Democratic Party to participate in a congress of Latin American political leaders that will be held between 6 and 11 May. The following leaders will also attend that congress: Hugo Zepeda, president of the Republican Right, Enrique Silva Cimma, president of the Radical Party; Jorge Molina, representing the MOC: and Luis Bossay, for the Social Democratic Party.

INTERUNION WORKERS ISSUE MAY DAY COMMUNIQUE

PY020200 Asuncion HOY in Spanish 1 May 85 p 17

["Text" of communique issued by the Interunion Workers Movement of Paraguay on 1 May]

[Text] To the working companeros and General Public: We, the workers grouped in the undersigned labor organizations, pay homage and respect to the companero martyrs of Chicago who gave their lives in 1886 in their struggle for the 8-hour working day, and for all those were sacrificed in the cause of the workers.

We enthusiastically greet also the companero workers of our country and ratify our determination to continue struggling for better living and working conditions, in a permanent search for more social justice.

As we begin our function as the Interunion Workers Movement we want to establish, as the fundamental basis of our philosophy, the united action of workers' organizations, based on the ties stemming from common problems and aspirations, for the purpose of promoting the dignity of the Paraguayan worker, promoting the development of an independent and democratic labor organization, without the interference of alien sectors that may hinder that development.

We understand that the struggle the workers must carry on in the present circumstances must be oriented toward immediate demands such as new legislation to guarantee universally recognized workers' rights, the overthrow of the laws which, in one way or another, impede and hinder the development of our activities, and the full implementation of the rights that have already been recognized in our legislation. To this effect, organization and action are the most appropriate means.

Our action then should be directed at objectives that are imperative at this time, such as just salaries to meet the needs of the worker and his family, compliance with the 8-hour working day, job stability, union recognition, and other immediate questions.

We are convinced that we can reach those objectives in the framework of genuine democratic rule, which will grant us enough freedom to attain them and which will make room for broader and deeper social benefits for workers in the future.

We do not intend to create a parallel workers' confederation. We only seek the unity of all workers in an independent, democratic, and pluralistic federation, based on the promotion and development of unions, without discriminations or impositions that distort the objectives that must be sought by a solid confederation of the workers and for the workers.

With the conviction that this should be a date to give thought to the importance of consolidating our labor organization, we fraternally and solidarily greet our companero workers throughtout the country.

[Signed] National Union of Construction Workers, National Union of Metallurgical and Allied Workers, National Workers Coordinating Board, Journalists Union of Paraguay, Paraguayan Theater Center, Bank Workers Federation, and Commerce Workers Group.

PRESIDENT CONCERNED ABOUT C. AMERICA, SITUATION

PY030138 Montevideo Radio Carve in Spanish 0000 GMT 3 May 85

[Text] The Uruguayan president is following the situation in Central America with great concern. Recent events have aggravated the delicate situations. A report released by government sources says that the Uruguayan Government supports the actions of the Contadora Group in its pursuit for peace in the area. Therefore, according to the sources, the government is maintaining continuous contacts with the foreign ministries of the member countries of that group in order to assess the situation. The acting foreign minister also is in permanent contact with the Uruguayan embassies of the area and with Foreign Minister Enrique Iglesias, who is abroad.

DOCK WORKERS, LABOR MINISTRY REACH AGREEMENT

PY021732 Montevideo Raio El Espectador Network in Spanish 1000 GMT 2 May 85

[Text] The Uruguayan dock workers stike has been resolved. The Labor Ministry was able to reach an agreement with workers who will have to approve it in this mornings assembly.

If this agreement is approved by the workers, they will resume their activities as soon as possible. Thus, work at the Uruguayan port will be resumed.

PIT-CNT ISSUES 9-POINT LABOR PROCLAMATION

PY021938 Montevideo Radio El Espectador Nework in Spanish 1000 GMT 2 May 85

[Text] Gathered in a rally that was attended by thousands and held in downtown Montevideo for the first time in 12 years, Uruguayan workers have issued a proclamation in which they view the national socioeconomic situation. This proclamation was read in Montevideo by labor leader Richard Read and in 60 towns in the interior by labor representatives. In their proclamation, Uruguayan workers demand that the government adopt a firm attitude regarding the IMF proposals and increase salaries by 30 percent as of March.

The rally was held on Libertador Avenue, which was filled with workers from Colombia Street to the Legislative Palace. The crowd was addressed by Richard Read, who read the proclamation, by Felix Diaz, by Jose (Devia), and by Victor (Dembroli).

The proclamation also calls for better credit facilities, a freeze on staple prices, more job sources, a better health service, a housing plan, moratorium on the foreign debt, exchange rate controls, an agragian reform program, and the nationalization of banks.

Richard Read said that at the time in which the government and the IMF undertake negotiations, we must speak clearly, that is, we must declare a foreign debt moratorium.

He noted: Our country cannot develop any capital equipment in view of the present interest bank rates. He added that the government must establish low interest rates so that investments are promoted in the production sector instead of promoting investments for speculative purposes.

The [word indistinct] said that our country cannot continue to leave the control of savings and investments in the hands of a foreign banking sector that is controlled by Wall Street. The banking sector must be nationalized so that savings are placed at the service of the entire community.

The proclamation adds: Our country cannot continue to be the victim of systematic plundering carried out by speculators [words indistinct] the flight of capital abroad, which increasingly weakens our savings and investment capacity.

It adds that the government must enforce strict controls on the exchange rate by monopolizing operations and by fixing prices on all currency exchange operations.

The proclamation notes that Uruguay cannot continue to promote the concentration of farm land in the hands of small groups and even foreigners. It states that the government must enforce an agrarian reform program that will eradicate the ownership of large portions of land, eliminate those regulations that allow antisocial ownership of land, and allow the transfer of land to those who farm it. It must also grant technical, material and credit assistance to those who work the land so that it may be properly exploited.

The proclamation states that Uruguay cannot continue to depend on limited international markets manipulated by imperialism and its allies to place its products. It adds that Uruguayans must confront the interests of multinational companies as well as nationalize the foreign trade sector and undertake trade programs with all countries of the world in keeping with the national interest.

Moreover, it states that Uruguay should not enforce a tax policy that burdens consumer articles, thus burdening the majority with the responsibility of the national budget. It adds that the tax system should tax wealth, property, unproductive resources and excessive income etc.

The proclamation notes that in Uruguay workers assume the intransigent defense of state-owned industrial, commercial and banking institutions (?in view of) their strategic value regarding national sovereignty and development.

But it also notes that the government must enforce a substantial decrease in the price of public services, fuels, kerosene, electricity, etc., in view of their multiplying effect on the economic activity. This is why workers demand the participation of workers on the boards of state-owned companies.

Those were the nine nimimum measures demanded by the Interunion Worker's Plenum-National Convention of Workers [PIT-CNT] that were read by Union Leader Richard Read.

MONGE SAYS EMBARGO WILL AFFECT CONTADORA

PA022023 San Jose Radio Impacto in Spanish 1830 GMT 2 May 85

[Report by Grethel Tinoco from San Francisco dos Rios]

[Excerpt] The president of the Republic participated a few minutes ago in the inauguration of a gymnasium at the school of Santa Marta. Before hundreds of children the president spoke about Costa Rican democracy and everyone's duty to maintain it and not abandon the struggle to maintain our democratic regime.

Following the inauguration ceremony, the president answered questions from journalists. We asked his opinion of recent U.S. economic measures against Nicaragua. This is what the president said:

[Begin recording] This is a political decision that pertains exclusively to the U.S. Government. We are not as yet prepared to make any (?official) comment about this. I have merely exchanged views with the foreign minister and other ministers. Should) these measures worsen the economic situation in Nicaragua, Costa Rica will have to prepare itself to face a migratory bomb that would be even more dangerous than the one we are experiencing now. Nicaraguans are coming into Costa Rica to flee from violence and war and escape the poverty in which the Nicaraguan people are immersed. [end recording]

In addition, the president said that the new economic policy of the Reagan administration toward Nicaragua and the consequences it could entail in that country will definitely have repercussions on the Contadora Group peace process.

Further Remarks

PA030208 San Jose Radio Reloj in Spanish 0100 GMT 3 May 85

[Excerpts] The embargo decreed by the United States against Nicaragua is a matter that exclusively pertains to the U.S. Government, said President Luis Alberto Monge.

Regarding the request made by U.S. Secretary of State George Shultz for the U.S. allies to join in the measures adopted by the United States against Nicaragua, President Monge said no formal request has been received in this regard. Nevertheless, he added, if it is received we must carefully analyze it because a decision like this is so grave that it would have to be decided by the Government Council. Foreign Minister Carlos Jose Gutierrez agreed with President Monge's viewpoint, when he was asked the same thing later.

President Luis Alberto Monge feels that the measures adopted by the Untied States against Nicaragua will have repercussions on the Contadora Group peace efforts for the Central American region. It is appropriate to foresee and predict that these measures will increase tensions in the Central American region, said President Monge.

In addition, Foreign Minister Carlos Jose Gutierrez said that, from the CACM viewpoint, Costa Rica could not join in such measures. In his view, there exists no economic boycott of Nicaragua, as this in only a bilateral decision between the United States and that Central American nation. Commercial relations between states are a sovereign decision, so there is no boycott, the foreign minister added. Guteirrez made a comparison: He said that commercial relations are like love relations. You have them as you want them.

This is a mutual relationship, he said, and if President Ortega Saavedra considers that it is preferrable for his country to have commercial relations with the East European countries, and the United States decides not to continue its commercial relations with Nicaragua, then that is up to them.

USSR AMBASSADOR COMMENTS ON U.S. POLICY

PA020242 San Jose Radio Reloj in Spanish 2137 GMT 1 May 85

[Interview with "USSR ambassador to Costa Rica" by Milagros Espinosa at the Legislative Assembly; date not given -- live or recorded]

[Text] [Espinosa] The USSR ambassador is speaking with us. We would like to ask his opinion of recent U.S. policy, particularly regarding Nicaragua.

[Ambassador] Current U.S. policy is evidently a continuation of its previous policy of pressuring a sovereign government and country.

[Espinosa] What is the USSR's response to the U.S. stance?

[Ambassador] I think my government would describe this as additional proof of U.S. efforts to intervene in the domestic affairs of another country and put pressure on this other government, although this pressure means added suffering for this country's people.

[Espinosa] Mr Ambassador, Mr Shlaudeman, U.S. special ambassador for Central America, was here a few days ago. Mr Shlaudeman said that Commander Ortega's trip to the Soviet Union would not influence the U.S. Governemnt to change its policy regarding Nicaragua. Do you think Commander Ortega's trip to the Soviet Union and this latter country's support for Nicaragua will pressure the U.S. Government into radicalizing [radicalice] its stance?

[Ambassador] I am sure that not only the Soviet Union, but also all those who believe in the need for the independent development of all countries, will give economic assistance to the Nicaraguan people in these very difficult circumstances. It is very likely that the northern country's government will assume a radical stance and declare economic pressures [words indistinct].

But we will not permit a people to suffer simply because they want to follow an independent policy instead of obeying outside orders.

[Espinosa] What do you mean by taking measures to spare Nicaragua these difficulties? What would the USSR's stance be in this particular case?

[Ambassador] We will do all we can with our economic resources to aid Nicaragua with wheat and other things so that the people won't starve.

[Espinosa] Regarding the military support that has annoyed the United States so much, what can you tell us?

[Ambassador] It would be best for the U.S. Government to give more publicity to the U.S. military aid and presence in this region, such as in Honduras and other countries. That is why the Nicaraguan Government has been forced to ask for other countries' aid. This move by Nicaragua was prompted by the U.S. presence and threat of invasion in this region.

HONDURAS

PAZ BARNICA SUPPORTS U.S. EMBARGO ON NICARAGUA

FL021517 Mexico City NOTIMEX in Spanish 1420 GMT 2 May 85

[By correspondent Jose Carreno]

[Text] Washington, 2 May (NOTIMEX) -- Honduran Foreign Secretary Edgardo Paz Barnica has welcomed the U.S. embargo against Nicaragua but said that if it fails, the next step will have to include military measures. In a press conference, after meeting with U.S. congressmen, the former Honduran foreign secretary expressed his country's wish that the economic measures adopted by President Ronald Reagan's government will soften the position adopted by the Sandinist regime.

On 1 May, Paz Barnica said he met with U.S. Secretary of State George Shultz who informed him about U.S. decision because of the Nicaraguan regime's inflexibility to reach agreements through diplomatic negotiations and domestic democratization talks. The Honduran minister said if diplomatic efforts and economic pressures fail, then the only other alternative will be to use force. He added that the trade embargo against Nicaragua will benefit Honduras because it will be able to export more products to the United States.

Paz Barnica is in Washington negotiating a new economic and military cooperation agreement with the United States.

PAZ BARNICA DISCUSSES WASHINGTON TALKS

PA011922 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 1 May 85

[Interview with Foreign Secretary Edgardo Paz Barnica in Washington on 30 April by unidentified reporter -- recorded]

[Text] [Reporter] I understand that the meetings today have been extremely important and at the highest levels of the Reagan administration?

[Paz Barnica] That is right. This new phase of bilateral negotiations began today in Washington. As you know, the negotiations are based on the proposals made in June 1984 by Honduras to the U.S. Government regarding a revision, analysis, evaluation, and adjustment in the fields of economic cooperation and security matters. Other meetings have been held. In November there was a meeting of the high-level commission with the corresponding U.S. Government commission here in Washington. There have also been meetings of the working subcommissions on economic cooperation and security or military affairs. These matters are closely linked.

As I said, this phase began today in Washington with an approximately 1-hour talks with Secretary of State George Shultz. Although he is leaving tonight for Europe to accompany President Reagan to the summit of industrialized countries in Bonn, he met with the Honduran delegation for about 1 hour. We discussed various topics with Secretary of State Shultz. We basically discussed the objectives of these negotiations regarding previously mentioned topics. In this regard, we expressed the Honduran Government and President Suazo Cordova's interest in obtaining during May the disbursement of the $75 million approved in March 1985 after negotiations for $147.5 million. We also raised the matter of additional economic and security cooperation for 1985 and projections for 1986. We explained to Secretary of State Shultz that the Suazo Cordova government recognizes the need to adopt measures to correct its fiscal deficit and balance of payments and that it has already adopted some measures in this regard.

This economic policy is based on the adoption of legislative and administrative measures to promote foreign and domestic private investment to increase production and exports. It is also based on measures to reduce public expenses, transferring state enterprises to the private sector and closing some autonomous or decentralized institutions, and negotiating additional economic aid from the U.S. Government to complement national efforts in the previously mentioned fields that actually involve a structural adjustment of the Honduran economy.

Mr Shultz also explained to us the results of the vote in the Senate and the House of Representatives on President Reagan's proposal regarding Nicaragua's internal political and military situation and the latest measures the United States is adopting regarding Nicaragua. We also discussed the Contadora Group's peace efforts. We subsequently met with Defense Secretary Caspar Weinberger, with whom we also held a long talk. General Vessey and Nestor Sanchez, deputy assistant secretary of defense for inter-American affairs, were present in the meeting. We reiterated the Honduran Government's position regarding security and economic cooperation.

We then spoke at the hotel with Jeane Kirkpatrick, former U.S. ambassador to the United Nations. We analyzed the Central American situation and bilateral U.S.-Honduran relations.

Finally today, Colonel Efrain Gonzalez, joint chief of staff, and I granted an interview to a reporter of THE NEW YORK TIMES. The questions dealt with various topics. I want to add that I have kept in touch with President Suazo Cordova since our arrival in Washington last night and that Col Efrain Gonzalez Munoz, chief of the Joint General Staff of the Honduran Armed Forces and a member of the high-level delegation, has participated in the meetings. Other participants include Juan Agurcia, ambassador to the United States; Manuel Fontecha, finance secretary; Gonzalo Caria, president of the Central Bank; and Moises Starkman, adviser to the presidency.

Colonel Gonzalez' Comments

PA012221 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 1 May 85

[Interview with Colonel Efrain Lisandro Conzalez Munoz, chief of staff of the Armed Forces and a member of delegation visiting Washington, by unidentified reporter in Washington on 30 May -- recorded]

[Text] [Reporter] You were present at today's meetings with Secretary of State Shultz and Defense Secretary Weinberger. Let us talk about the meeting with the U.S. defense secretary. How does Mr Weinberger view the Central American situation?

[Gonzalez Munoz] There is no doubt that the continuation of these talks and the meetings held today are of vital importance for development of U.S. policy on Central America and, more than anything else, for the efforts being carried out jointly by the U.S. Government and Armed Forces and the Honduran Government and Armed Forces to maintain the democratic system in our country and to help to maintain it in the Central American region. Defense Secretary Weinberger said he hopes these talks will lead to final conclusions that will benefit the interests of the two countries.

[Reporter] Colonel Gonzalez, the U.S. press, specifically THE WASHINGTON TIMES yesterday and THE WASHINGTON POST today, report insistently that guerrilla groups have again infiltrated Honduras. Was this topic discussed?

[Gonzalez Munoz] There was an exchange of reports in this regard.

This confirms what the Honduran people already know, that is that with the support and instigation of the Sandinist government, efforts continue to subvert order in Honduras. We know about the existence of subversive groups trained in Cuba and that members are transported via Nicaragua and Panama to Cuba where they remain for up to 2 years for training. They then return to Honduras via Panama and Cuba [as heard]. They are infiltrated for the purpose of creating groups to subvert or disrupt order in order to bring chaos to our country and weaken the efforts for the maintenance of democracy in our country and the region.

[Question] We understand that the rest of the commission, which will be divided into two subcommissions, will be arriving tonight. We understand that you head the security subcommission. What are the work plans of the subcommissions?

[Gonzalez Munoz] The agenda planned for the high-level commission was completely fulfilled, and we even added new points that have also been completed. The rest of the commission will be arriving at 1900 tonight. It includes the rest of the military personnel that will make up the military subcommission and a group of advisers from the Foreign Secretariat and Armed Forces headquarters. We will be divided into two working subcommissions: a subcommission on economic matters and another on security. The high-level commission will continue with a special program of meetings with senators and congressmen in order to exchange opinions on Honduras' interests, views, and efforts in the Central American region andon the congressional policies on the region.

[Question] Has there been any progress since the talks began formally in November?

[Gonzalez Munoz] There has undoubtedly been progress, but of course there have also been difficulties and problems that are discussedand analyzed to find solutions to advance the process of the talks and reach mutually beneficial objectives.

PAZ BARNICA ON U.S. BASES, EL SALVADOR

PA011914 San Pedro Sula TIEMPO in Spanish 30 Apr 85 p 5

[Text] Tegucigalpa -- Foreign Secretary Edgardo Paz Barnica said that there are no U.S. military bases in Honduras, although more than 1,000 U.S. soldiers have been almost permanently stationed here since 1982. Paz Barnica said: "No, I do not believe that Honduras would allow establishment of a foreign military base here regardless of the country." "They do not exist and I believe that idea can be ruled out," he insisted. I do not believe that "Honduran or U.S. authorities have promoted plans" to install a U.S. military base in Honduras. "No way. Yes, Honduras should be a base, but for understanding, cooperation, and democracy in Central America to help achieve equilibrium."

In addition, Paz Barnica reitereated his concern over the consequences that a suspension of U.S. aid to anti-Sandinist rebels, who are trying to topple the Managua regime, could have for Honduras. Nevertheless, he expressed hope that the Reagan administration will present another request for $14 million in aid for the contras to the U.S. Senate and House of Representatives. He added: "Without the pressure of a domestic political and armed struggle, Nicaragua will adopt a hard line toward Contadora Group efforts."

As for the border conflict with El Salvador, Paz Barnica expressed confidence that President Jose Napoleon Duarte "will demonstrate a more flexible attitude" toward direct negotiations now that his party was victorious in the legislative elections. Paz Barnica claims that to say the guerrillas are the cause of the delays in the demarcation process "constitutes a lie." He added that if the two sides were really determined to negotiate, an agreement could be reached in 2 months through direct talks.

FORMER FDN COMMANDER MONDRAGON LEAVES COUNTRY

PA302257 Buenos Aires LATIN in Spanish 1922 GMT 30 Apr 85

[Text] Tegucigalpa, 30 Apr (REUTER) -- Local authorities have reported that a former Nicaraguan rebel leader who remained under diplomatic protection at the Mexican Embassy here for over 1 month has left the country today. The sources said that Jose Efrain Mondragon, known as Commander Moises, departed on a flight to Mexico City this morning.

Mondragon, who operated as a commander of the Honduran-based Nicaraguan Democratic Force (FDN), which is struggling to overthrow the leftest Nicaraguan Government, sought political asylum at the Mexican Embassy here on 12 March. However, he was not allowed to return to Nicaragua with the other nine former rightist guerrillas and their families, who were at the embassy with him. At that time, Honduran Army officers said that Mondragon could not leave the country because government officials feared that he could have confidential information regarding the Honduran security forces. Mondragon was second assistant to the intelligence director [words indistinct] 1983. [Words indistinct] Honduran officials of perpetrating political murders in that country. [Ricardo] Lau [chief of counterintelligence for FDN] was also charged by a former Salvadoran intelligence chief of being involved in the assassination of Salvadoran Archbishop Oscar Arnulfo Romero in 1980.

The reasons the Honduran authorities have now allowed Mondragon to leave the country were not immediately clear.

NICARAGUA

COMMENTARY COMPARES U.S. 'BLOCKADE' TO CUBA, SRV

PA021447 Managua Radio Sandino Network in Spanish 1245 GMT 2 May 85

["Beyond the News Reports" feature: "No Blockade Will Make the Nicaraguan People Surrender" by Eligio Alvarez Montalvan]

[Text] The measures adopted by the Reagan Administration within its economic war against the Nicaraguan people and government constitute an authentic blockade similar to the ones decreed by previous U.S. presidents, during their respective administrations, against Cuba and Vietnam. We arrived at this conclusion after analyzing the definition of blockade and isolation in judicial, political, economic, and even military terms. It is a system of various measures implemented during times of peace and war by a state against another state and its territory to cut that state's ties with the international community and force it to yield or comply with certain demands of the blockade promoter.

As you can see, the definition of blockade and [word indistinct] fits the measures adopted by the Reagan administration against Nicaragua, especially the part stating that the objective is to force a state to yield or comply with the demands of the blockade promoter. In this case, this would apply to the United States.

We will never falter in denouncing, as we have been doing, the illegality and immorality of the unjust, arbitrary, and ill-natured behavior of the Reagan administration against the Nicaraguan Government and people since it assumed power in January 1981. The current White House leadership is trying to justify its attitude with the trivial argument that it is defending national security, and with the provocative and suspicious argument that it is fighting communism.

Nevertheless, we repeat: We will not falter in denouncing this in view of the current situation in which [words indistinct] unilaterally the U.S. empire decreed a blockade to deepen and multiply the short- and long-term consequences of such a punitive measure on the Nicaraguan people. It is also flagrantly violating the most basic principles of international law specified in the UN Charter, at the OAS, and in the Nonaligned Movement. This mainly applies to economic aggression and the use of force or the threat to use force in conflicts or controversies between member states. With its stubborn, criminal, and imperialist stand, the United States objective -- as it did with Nicaraguans in 1909, 1912, and 1926 with the complicity of sellouts -- is to make us kneel before the empire of brutal force.

Commander of the revolution Bayardo Arce Castano commended on behalf of the FSLN National Directorate saying: They will never achieve their objective because our people now control their own destiny. Therefore, they will not be able to make Nicaraguans submit as victims of hunger. The people of Cuba and Vietnam resisted and won under similar circumstances.

HUMBERTO ORTEGA SPEAKS AT CUBANS' DEPARTURE

PA022010 Managua Domestic Service in Spanish 1530 GMT 2 May 85

[Speech by Commander of the Revolution Humberto Ortega Saavedra, Nicaraguan defense minister, at the departure ceremony for the Cuban military advisers at the Carlos Aguero Echeverria Military Training School -- live]

[Text] Brother Sergio Ramirez; Cuban brothers; dear guests; ambassadors from the fraternal countries of Mexico, Colombia, Panama, and Venezuela, which comprise the Contadora Group; brothers in the general staff; all brothers:

In our permanent zeal to make every effort within our reach and to contribute to the efforts made by others in the search for the peace so urgently needed by the Central American region, particularly Nicaragua, the Nicaraguan revolutionary government has been developing various initiatives and displaying great flexibility and maturity in order to contribute to this noble effort to find a just, reasonable political solution that will make it possible to gradually solve the problems affecting our people.

In accordance with this desire, through its president, Commander Daniel Ortega, the Nicaraguan revolutionary government recently announced several unilateral steps to be taken by the Nicaraguan Government aimed at contributing to the search for the peace for which we all yearn. One of these steps sought to contribute to the withdrawal of military forces from the various countries with influence in the region and from the entire Central American area. Within the framework of the Contadora Group, Nicaragua has announced its willingness to contribute to removal of the various military advisers from the entire Central American area if this step really contributes to a better understanding in the search for the peace for which we all yearn. Nicaragua has been willing to tread along this path. Not only has it expressed this willingness during the various negotiations that have taken place within the framework of the Contadora process, but it unilaterally announced that in May -- as evidence of its seriousness and willingness to really solve the problem of the foreign military presence in Central America -- it would take a first step toward positive advances.

Today, in fulfillment of the commitment the Nicaraguan revolutionary government made through its president and in accordance with the Cuban revolutionary government, the Nicaraguan Government is taking this step, thus proving that Nicaragua is responsible and serious in the fulfillment of its commitments.

Cuban brothers Nicaraguan brothers, Latin American brothers, and Contadora Group representatives, we have met today to materalize this unilateral Nicaraguan decision through this farewell ceremony in the hope that this step will contribute to the various efforts on behalf of peace that Nicaragua and other peoples and governments remain intent on making.

We have learned that 100 Cuban brothers, who have given their unselfish support to the construction of our Sandinist People's Army are returning to their homeland today. Our people have assimilated their art and military science to accompany the unyielding morale and Sandinist political determination that is the major force motivating and moving us. In taking this step today, Nicaragua hopes it will contribute to the continued development of the various efforts that the Contadora Group is making on behalf of the region.

At a recent Contadora meeting in Panama on the entire regional problem, Nicaragua gave proof of its willingness to advance in connection with the various supervision and control mechanisms that will speed up the Contadora agreements -- the agreements of 7 September 1984, the 7 September document that Nicaragua is willing to sign. Nicaragua, which proves its government's responsibility in fulfilling its commitments through this event, is willing to continue advancing and contributing to the various supervision and control mechanisms that will make it possible to substantially advance within the Contadora framework. Among other things, these mechanisms make it possible to verify the mercenary aggression that the current U.S. Administration, presided over by Ronald Reagan, remains intent on maintaining against our small country. This ceremony takes place at a time when the current U.S. Administration is stepping up its military aggression against Nicaragua.

Two very important events have taken place in the last few days: On the one hand, the CIA's decision to give antiaircraft weapons known as arrows [flechas] to the mercenary forces operating against our country from Honduras and Costa Rica. This development marks the beginning of generalized violence on the part of unconventional left-wing and right-wing forces and, we would dare say, not only within the context of the regional Central American conflict, but in the entire continent. Frankly, the fact that unconventional forces in a conflictive region like Central America are being supplied with this kind of weapon is merely an adventuresome and crazy step by those taking it.

On the other hand, the economic blockade decreed by President Reagan against Nicaragua is merely part of the interventionist global strategy that the U.S. Administration has become intent on developing despite the opposition to this policy among the American people, their civilian, political, and religious leaders, and the Congress. Despite broad opposition to this irrational policy by the U.S. Administration, Mr Reagan has begun strangling Nicaragua economically, launching a commercial and economic blockade as part of the larger-scale interventionist military strategy against Nicaragua. We cannot view this as a circumstantial measure, as a measure outside a larger strategy. This strategy calling for an economic blockade is part of the interventionist maneuver that Ronald Reagan has gradually implemented in recent years.

Despite the defeat in Congress of the $14 million, Reagan mocked Congress and the Latin American peoples and governments, which expected that this defeat in Congress of the aid to the counterrevolutionaries would contribute to a climate in which Nicaragua and the United States might resume their talks in Manzanillo as civilized people, thus contributing to the search for peace.

Reagan mocked his Congress, his people, the Latin American governments, the Contadora Group governments, in short, he mocked the entire world and ignored the Hague tribunal, when a few hours ago he said that he will not recognize the Hague tribunal's jurisdiction in this problem upon learning that Nicaragua would file a complaint in that high court. Reagan, ignored, as I've said, our people's desire for peace. Reagan decided to step up his interventionist aggression in Central America, particularly in Nicaragua, and began to strangle our country both economically and commercially. This means that the purpose of this economic and commercial step is not merely to deal a blow at our country's underdeveloped, poor, and difficult economic situation, but is basically aimed at creating better political conditions in order to step up the military escalation in Central America.

This step to strangle the economy is another step toward increasing the general violence, the military intervention in the conflict. This is the grave aspect of this situation, of this measure that the U.S. Administration has taken and says it will soon continue to expand. Because really, if the administration accompanied these economic measures with a public embargo calling for not using military force or mercenaries, for discontinuing the military exercises, and maneuvers, and for not intervening in Nicaragua, then, although unjust, we would accept these measures. However, in reality Reagan is doing nothing but applying a policy for the greater use of the mercenary forces, for a greater military presence in the Central American region, particularly in Honduras, for the greater presence of his naval and other types of maneuvers in the region in order to, at a specific juncture, make use of direct aggression -- as occurred in Grenada -- in a useless attempt to destroy the Nicaraguan people.

We want to point out that far from contributing to a better climate for peace in Central America, as we had all hoped after the rejection of the $14 million, this adventurous step by the current U.S. Administration is creating tension in the Central American region. It is bombarding the Contadora Group, which the Reagan administration has been determined to constantly hinder, and, in short, it is opening the way for an increase of violence in Central America.

We must denounce these measures that they describe as an embargo because they are one more step in the interventionist aggression of the North Americans in the Central American region and against Nicaragua in particular. The North Americans gave us a note informing us of the beginning of their commercial blockade and the strangling of our country. In that arrogant note, like the one they wrote to Sandino in his time or to Zelaya in his time, the United States, the U.S. Government, shows its insolence and the traditional arrogance that it has maintained throughout history against our Latin American peoples and our people in particular. Among other things, it states that if Nicaragua does this and that, then they will reconsider this blow to the Nicaraguan people, the Nicaraguan nation. We can say that the immediate effects of these measures are as if the 1972 earthquake had occurred. Facing that situation will bring grave difficulties to our people.

Ronald Reagan has not cared if these measures affect the son of the most humble man or the son of the wealthiest private businessman. Ronald Reagan has not cared whom these measures affect because in short, those affected are Nicaraguans, Central Americans, people from the banana countries, inferior people, people from the tropics who should be his slaves. This is how the most conservative and backward members of the current U.S. Administration think. They do not care about the suffering that these measures, that this earthquake will bring to our people, our nation, our clergymen, our children, our workers, our peasants, the businessmen. They do not care. They do not care if the Nicaraguans suffer. Ronald Reagan does not care if thousands of peasants, producers, children, and old people are dying in the war zones.

Ronald Reagan does not care about the fate of the Central Americans. Ronald Reagan does not care if these peoples continue to be increasingly poorer and that they are bleeding every day. What he wants is that there be submissive people. What he wants is that there be courtesans in the Central American region who will yield to his will, desires, orders, and domination like such false rulers as the Chamorros, the Diaz, the Somozas, and the Moncadas did in the past. That is what he cares about. He wants submission. He wants a yes sir, yes Uncle Sam. He wants the Central American governments to say: Yes, Uncle Sam; yes sir. He does not want the Latin American governments to be like Bolivar, Marti, Zapata. He does not want them to be independent and honorable. That is not what he wants.

In the note that they gave to the Nicaraguans of today, after slapping us, after causing that earthquake that we will overcome and that we are already confronting, after this economic blockade, they hit us and they say, laugh, apologize, kneel, say Uncle Sam. If you want chewing gum, say Uncle Sam; you want to consume, say Uncle Sam. But they are mistaken. The Nicaraguans of today are not the Chamorros of yesterday, the Somozas of yesterday. They are mistaken. The current Latin American governments are not submissive governments that are going to so easily submit to their orders and desires. Among other things, they say that we have to break our links with those governments that they choose. In other words, the United States is giving itself the right to tell us who our friends should be and who our enemies should be. They say that if we want a halt to the earthquake that they have provoked, we should obey them with regard to who our friends and enemies should be. Among other things, they say that we have to break our ties with Cuba and with the Soviet Union. But can ideals be broken? Can banners and causes be broken? Wasn't Sandino inspired by Jose Marti's spirit and insight on freedom? Wasn't Fidel Castro inspired by the Latin American spirit of Sandino?

We Nicaraguans are the ones who choose our friends and our relations. We will never allow anyone from abroad, particularly the current U.S. Administration, to tell us how we must behave in our international relations. In this sense, Nicaragua will continue to be a friend and sister of the Cuban people. Nicaragua will never accept this arrogance and this irrational and uncivilized behavior of the current U.S. Government, no matter how much pressure it applies nor how many threats of direct aggression it gives.

This means, and it is well that the U.S. Government understands this, that with this step that we are taking today, we are not turning back a single millimeter in the content of our just, noble, revolutionary, and exemplary relations between the Cuban and Nicaraguan Governments. This step does not mean that we are trembling in the face of the threats and dictates of the current U.S. Government.

As the companero Cuban who heads the group that is leaving today indicated, if it becomes necessary in accordance with the development of the problems in the region, if it becomes necessary that they return, then they will return.

In the final analysis, what is important is the political will Nicaragua is demonstrating to fulfill its commitments and contribute to others' efforts to find a just, reasonable, and practical formula for all. However, we are not betraying and will never betray principles. We are firm men who uphold firm principles. Through their present attitude the Nicaraguan people are demonstrating that they are capable of struggling. The Cuban companeros have helped us in the field of military art and science. Through their magnificent and high fighting morale; through their patriotism; and through their pride in being Nicaraguans, our people have demonstrated that they are capable of assimilating training to struggle in a better way.

We are therefore faced with a difficult situation of struggle.

We wish to reassert during this simple ceremony that our people are becoming more brotherly because of this harsh blow dealt to Nicaragua by Reagan's irrational policy. We will confront this new escalation of intervention as a single fist. As a single fist, on behalf of Latin America's dignity, we Nicaraguans will demonstrate that we will never surrender. However, we must be prepared to face the effects of this embargo that our enemies are implementing. We must prepare ourselves to withstand the difficulties and at the same time to oppose with weapons, [repeats himself] with weapons the trend toward intervention which this step, if not stopped, represents for the Central American region within a short time.

We will show our enemies that they will not make us kneel as they want. Neither with armed intervention nor with this phase of the intervention represented by the trade embargo will they make us kneel. We will go barefoot and face many difficulties. But we will also extricate ourselves from these difficulties with the support of other peoples, other governments. We will forge ahead with the support of Latin America, and especially with that of the Latin American peoples. We know how to resist. We are going to resist. We are resisting.

You will not make us budge, Mr Reagan. Don't be mistaken. This path will lead to a worsening of the political and military situation in the region. The only difference is that here in Nicaragua those who demonstrate in the streets are not persecuted and those who struggle for their civil rights are not violently attacked. The question here is not whether to persecute fleeing, unarmed people. We are prepared to confront the aggressions by those who do not want peace.

Here in Nicaragua we have a brave and worthy people who are militarily prepared. If this trend continues; if we have to continue training hundreds of thousands of Nicaraguans to confront the aggression by the current U.S. Administration; and if we therefore require more specialists like you to help us with this task, our government will, under these circumstances, review this situation with the Cuban Government.

In concluding, it is important to point out to the incumbent U.S. Administration that the only thing achieved through this path of blackmail, arrogance, and insolence will be a worse political crisis in the Central American region and that we Nicaraguans are intelligent and can talk, but we Nicaraguans are dignified and will never accept slaps in the face of threats from anyone. We Nicaraguans are demonstrating, by confronting the current mercenary war, that we are prepared to withstand the economic embargo, to overcome the economic embargo, and to defeat, with weapons, the military intervention that will inevitably ensue if the current U.S. Administration does not change its course.

We have confidence in the people, governments, and even the U.S. Congress, which has also received a slap in the face through this measure. We trust that the U.S. people and their Congress will know how to take steps to stop this adventuresome escalation into which Mr Reagan has already introduced the Central American region. Thank you very much. [applause]

'Order of Recognition' for Advisers

PA021815 Managua Domestic Service in Spanish 1534 GMT 2 May 85

["Order of recognition" issued by Nicaraguan Defense Minister Humberto Ortega Saavedra dated 2 May in Managua; read by Brigade Commander Hugo Torres Jienez, chief of the Political Directorate of the Sandinist People's Army, EPS, at the ceremony to bid farewell to Cuban military advisers at the Carlos Aguero Echeverria Military Training School in Managua -- live]

[Text] Order of the Nicaraguan defense minister, commander in chief of the EPS, and national chief of the Sandinist People's Militias

2 May; No 016, Managua

Whereas the work carried out by the companero Cuban military specialists has contributed to increasing the professional-technical level of our EPS and they have given this help with the abnegation and devotion that is characteristic of the solidarity provided by the Cuban people to the Nicaraguan people, I order:

1. Public recognition of the Cuban brothers, who are leaving for their country today, for the work they have carried out in the EPS.

2. On behalf of our government, the EPS general command, and myself, and also including the recognition of the revolutionary government, its Armed Forces, and the heroic people of Cuba.

[Signed] Commander of the Revolution Humberto Ortega Saavedra

DANIEL ORTEGA VISITS BULGARIA, MEETS ZHIVKOV

For coverage of the visit to Bulgaria by President Daniel Ortega and the accompanying delegation, including talks with State Council President Todor Zhivkov and other government and party officials, see the 3 May Eastern Europe DAILY REPORT and subsequent issues.

EEC DELEGATION ARRIVES IN MANAGUA ON 4-DAY VISIT

PA011746 Managua Radio Sandino Network in Spanish 1200 GMT 1 May 85

[Text] An EEC delegation arrived in Managua last night. This delegation is headed by Pio Pignatti an ambassador to that organization and also includes Bernardino Osio, director of the Latin American Department of the Political Affairs General Directorate of the Italian Foreign Ministry; Hubert Burth, a special adviser to the EEC foreign department; and Eduardo (Golpi), director of the EEC's Latin American Department.

During their 4-day stay in Nicaragua, they will meet with top officials of the revolutionary government because their visit to Nicaragua is within the framework of a tour of Central America and the Contadora Group countries to study possibilities for assisting in the peaceful solution of the region's problems.

After their tour of this nation, the EEC delegates will go to Tegucigalpa.

GOVERNMENT PROHIBITS 1 MAY WORKERS MARCH

PA021327 San Jose Radio Reloj in Spanish 0030 GMT 2 May 85

[Text] Managua -- The Sandinist government today prohibited a march by workers who are affiliated with non-Sandinist labor union. This resulted in an incident between police and demonstrators.

The incident occurred in front of the El Calvario Church in Managua at the end of a mass to commemorate 1 May Labor Day that was being officiated by Cardinal Miguel Obando y Bravo, archbishop of Managua.

BORGE SPEAKS TO DEFENSE COMMITTEE ON ANNIVERSARY

PA272258 Managua Radio Sandino in Spanish 0120 GMT 27 Apr 85

[Speech by Interior Minister Tomas Borge at the closing of the events commemorating the fourth anniversary of the Sandinist Defense Committee, CDS, at Managua's Commander Ana Maria Square -- live]

[Excerpts] Allow me to begin this speech by extending a cordial greeting to a delegation of the European Parliament that is present here. [applause] We have already greeted the representatives of friendly nations. We would also like to send a warm greeting to all Nicaraguan secretaries on their day. [applause]

There are people who ask themselves whether the Sandinist revolution enjoys popular support. Here is a large and select representation of the people, and we ask them: Do you support the Sandinist people's revolution? [crowd chants: "Yes"] I believe I have phrased my question incorrectly and that the response has also been incorrect, because the people are the revolution. Therefore, the people do not support the revolution; instead, the revolution is the people. [applause]

As the National Directorate has determined, the principal task of the CDS is what? [crowd rumbles] You have said it. revolutionary vigilance. Why did the National Directorate decide that the CDS' principal and fundamental task would be revolutionary vigilance? To a large extent because facts have shown that the main responsibility of Nicaraguans at this dramatic moment is to defend the country. What does this mean? It means a division of labor.

Segments of the population are directly involved in the armed conflict. The Sandinist People's Army is the spearhead of this movement, in which special units of the Interior Ministry and the Sandinist People's Militias [MPS] are active participants. The CDS is the powerful mass organization which, as its name implies, helps defend the country by fulfilling the duties assigned to it by the revolution's leadership. Aggression, war, and cowardly and indecent threats against the people are the factors that make revolutionary vigilance a natural and necessary thing [words indistinct]. This decision is part of our right and duty to ensure our survival by bringing together all sectors of society. Allow me to give you an example. Here in Managua we have an oil refinery. For obvious reasons, the government wants to protect this refinery from acts of terrorism. There have been concrete plans that the state security has exposed and of which you are all aware, to destroy factories, to distribute among children pencils and toys that are actually bombs. The state security and police are not sufficient manpower to watch over and protect these vital targets and our children. The people must participate. Their participation will be effective and even invulnerable through what? Revolutionary vigilance. This is the people's most important task, in addition to their vigilance aimed at neutralizing crime.

When our enemy's plan -- as it now stands -- to create an internal front is completely neutralized, the long hours and efforts of revolutionary vigilance will no longer be necessary. However, imperialism has long-term plans and the coffin that you have before you and that symbolizes imperialism will unfortunately have to wait many years before it is put six feet below the ground. [applause]

Our people's struggle is helping to dig imperialism's grave. Then the CDS will be able to fulfill its destiny: to be an organization essentially devoted to joy and love and to giving community services a sense of direction and harmony. However, I ask: What does the painful and dramatic situation that is piercing the essence of our natinality demand? It demands, Nicaraguans, that we win the war and crush the terrorist and criminal conspiracies. For now, Nicaraguans, we will have to go to the battlefields, to talk in the only language that murderers understand: the language of rifles and

machineguns, the same language with which we defeated the National Guard on the streets, crities, and mountains, [applause] and with which we defeated Somoza when he believed himself to be God in Nicaragua. [crowd roars]

The CDS fulfills a vital need, our instinct for survival. Do you believe, members of the CDS, that this feeling, this implacable hatred that the enemies have for you, is... [rephases] Do you think that hundreds of thousands of Nicaraguans have joined the CDS by chance? The hate directed against the people and the people's instinct for survival are dialectical. However, who is negatively affected by the existence of the CDS and revolutionary vigilance? Terrorists, counterrevolutionaries, those who futilely dream of returning to a past that will never return, criminals, drug addicts, rapists, thugs, bums, those who are full of hate and thirst for revenge against the process of changes the revolution is intent on, the Reaganites, and confused fools. [applause]

The reactionary and fascist press unleashes its venom against the CDS. This is not by chance. All those who believe that they have distinguished family names or have blue blood call the hundreds of thousands of Nicaraguans of the CDS and the revolutionary vigilance riffraff, sweatbacks, a mob, and gangsters. It is disgusting that situations like the one exposed by Maria Leticia Herrera, CDS Secretary general, take place, that there is favoritism, repression, and discrimination in the CDS. It is unacceptable [words indistinct] that the CDS has become a dispenser of favors [words indistinct] supplies, that there be reprisals agaisnt them. The CDS must attract people, not repel them. Insult and unnecessary violence are incorrect practices. This mass organization must not be used to satisfy egoistic appetites or to resolve family disputes by taking sides. It can and will become a center of advice, family harmony [words indistinct]. The CDS can help neighbors when they have problems, regardless of their political and religious creeds. If a family has trouble with a youth or a boy, it must be helped. All this and much more is what the CDS should be. The CDS must defend our besieged country and find solutions to the various problems that plague our communities. The CDS must be an organization that sees straight, a big family that shares its sufferings; it should be a chorus of voices and a refuge of tenderness and human solidarity. [applause] Most of the CDS groups are composed of the best people. [words indistinct] and enthusiastic children of this land.

They are exemplary in their devotion to the duties that, in absolute faith, the revolution entrusted to them. However, the organized enemies of the revolution have relished in brutally manipulating the isolated cases of abuse and arbitrariness. Meanwhile, as Maria Leticia has already pointed out and has been widely commented, there has been a decline in revolutionary vigilance. It is true that it is disturbing and overwhelming to walk through the neighborhoods on the cities' fringes and see thousands upon thousands of men, women, and children who must endure rain and exhaustion under the stars, [words indistinct] their homes to perform revolutionary vigilance. However, (?there has) been a decline in the number of vigilantes. Earlier Maria Leticia enunciated some of the reasons for this, but it would be good to ask ourselves why this decline has taken place. Is it because our people's revolutionary conscience has declined? Is it because the spirit of struggle that made possible the shining moments of 19 July has disappeared? [crowd chants no] Several months ago the people participated actively in the elections, voting overwhelmingly in favor of the revolution. The people continue to support the militias, to participate in the voluntary police, and to help in the coffee and cotton harvests. Only 6 days ago, last Sunday, there was a popular vaccination drive in which volunteers of the CDS inoculated almost all the children of Nicaragua. Each time the U.S. Government steps up its plan to invade us, the people turn out en masse to dig trenches and build shelters, thus showing their determination to defend the country.

When the claws of imperialism gash the back of our homeland, the people take their battle stations.

No, the people's enthusiasm has not diminished. The people have shown that they have awareness, courage, and daring, because their blood is lava. How then, can the enthusiasm of people who have not hesitated to recover their song and their future diminish? Who can question the devotion of the Nicaraguan people, who were born to challenge, fight, make history? Maybe there has not been enough entertainment for the people. The war has been [words indistinct]. The U.S. Government is waging not only a military war, it is also waging an economic, political, and ideological war.

If transportation is poor, the U.S. Government is largely responsible, although that does not excuse the deficiencies which Transportation Minister Commander William Ramirez is trying to solve. If there is a shortage of some products, Reagan's warmongering is also largely to blame. I will not deny our shortages, with which Domestic Trade Minister Commander Ramon Cabrales has to deal, because that would not be honest.

If there are persons preaching passiveness and surrender to aggression, it is because the enemies of the people are encouraging those prophets of defeat. The people should know all this. It is the duty of all the members of the FSLN and all Nicaraguan revolutionaries to let the people know. War is not just a partial aggression, it is a sum total of factors. Therefore defense cannot be partial; it has to be total.

Let us think for example of the ideological offensives launched against us every day. Let us analyze their immediate objective. These ideological offensives are aimed at paralyzing, confusing, and dividing Nicaraguans and restoring anguish and pessimism. Is not their hatred of the defense committees part of this war?

The confusion, discredit, and ideological offensive against the people is aimed mainly at distracting the masses from their duty to defend the revolution, and perhaps some sectors have fallen victim to this confusion.

Our political and social duties do not excuse us from our vigilance tasks in our neighborhoods. [Words indistinct] to make a comparison between [words indistinct] in the military aspect and those participating in the revolutionary defense, with the idea of deciding which of the two tasks is more dangerous. Strategically, it is possible that some companeros will say that it is more dangerous at the battlefront.

There is no doubt that the military confrontation is decisive, strategic, and more dangerous. But the tasks carried out by the revolutionary vigilantes are also important. Their tasks are aimed at protecting our rearguard, and a broad and effective rearguard represents a constant and permanent source of support to the battlefronts.

Everything done and left undone in the cities will inevitably have an impact on the war. If production units located in the cities were the target of sabotage we could hardly meet the needs of our fighters. Guaranteeing a climate of peace, without forgetting that we are at war, must be a permanent task of the revolutionary vigilantes. War forces us to look in all directions. The enemy destroys production units and prevents the construction of new roads. The enemy attacks villages, schools, and hospitals. Nevertheless, the counterrevolution directed by Ronald Reagan, objectively speaking, cannot endanger the revolutionary government. Militarily, mercenary armies are incapable against the people in arms.

Revolutions are invincible, invulnerable. I repeat it once more, the only ones capable of killing a revolution are the revolutionaries. When the United States arrived in Grenada it did not come to kill a revolution; it came to kill a corpse, because the Grenadian revolutionaries themselves had already assassinated the revolution. What kind of U.S. feat is this -- killing a corpse?

As long as we have mysticism and enthusiasm, and are willing to make all the necessary sacrifices and efforts to guarantee the development, purity, and honesty of this process, we will continue to have a revolution here. We will have a revolution so long as the people remain united around their vanguard; as long as the FSLN militants bear their principles in mind and do not become estranged from the masses. In our country we choose as leaders of the revolution those who have a vocation for the people, and this historical guarantee allows us to assert without a doubt that we will have a revolution, today, tomorrow, and forever, throughout the centuries. [applause]

Nicaraguan people: No one can deny that the current economic measures are effecting the people; it would be absurd to say that the increased bus fares, staple prices, gasoline prices, electricity bills, and construction material prices do not affect the people's economy. These measures imply sacrifices, and the sacrifices cannot always be distributed equally among all social sectors. It was necessary to counter the serious problems that prevailed in the economy, on which all the plagues have unfortunately fallen: the destruction inflicted by a war, the cost of countering the war, the international economic crisis, the unequal exchange, sabotage, [words indistinct] credits and Nicaraguan exports. We must also add to this human errors and mistakes, despite the good faith of our leaders.

We initially tried to do everything, and perhaps that was one of our biggest mistakes. We wanted to build schools, hospitals, highways, houses, irrigation systems, many things. Each ministry tried to grow incommensurably, including the Interior Ministry. Later we realized that we had to grow within the masses, and the results have been positive. We disregarded the objective limitations imposed by our underdevelopment and our weak economic structure. The distortions that prevail in our economy were and will continue to be large; for example, it is cheaper to purchase a new tractor than to repair a used one, I mean it is more expensive to purchase a new tractor than to repair a used one. [sentence as heard] Another example: It is cheaper to produce potatoes than to purchase them. A person who stands in line at a supermarket to purchase a product and then sells it for a profit earns more than a worker during a complete work shift. It is not a matter of speculation [words indistinct] had become a strategic problem, which worsens the situation of aggression that prevails in the country.

If the government had not take these measures now, the deplorable state of the people's economy would have been much worse. Even though these measures do not solve the economic problem, they limit the damages, the wounds inflicted by the crisis and the aggression. Now then, if the U.S. Government were not organizing a war against Nicaragua the measures would not have been necessary -- or they might have been less strict. We will have [words indistinct] to start a real reconstruction on the day the war ends. That is why it is so important to win the war, because it means winning the right to development; it means disrupting U.S. imperialism's strategic plans. For the time being, and due to these circumstances, development plans have become complementary, our economy has become another battlefield.

Well, common sense and decency have eventually prevailed, and Mr Reagan's request was turned down. This means [words indistinct] that the U.S. aggression has ended. Perhaps Mr Reagan has no alternative but to respect [words indistinct] and to respect international law norms. Let us hope he does.

However, we should harbor no hopes, Nicaraguan people. A government like the U.S. Government has decided it will hate and destroy, so it would be [words indistinct] to harbor illusions. I believe it is appropriate to say that [words indistinct] the war continues; the counterrevolution will not lack the necessary funds. The fact that the $14 million has been denied is [words indistinct]; it represents a political victory for wisdom and decency. However, the contras received $26 million last year from private U.S. organizations. Even though a political, moral, and material victory has been achieved, Mr Reagan will not lack proposals. Mr Reagan himself said a few hours ago that the House of Representatives' vote is not final. The "Universal Trek-85" maneuvers, which have been conducted in the last few days in Honduras, have a goal, according to one of the U.S. commanders. I quote him: The goal of perfecting technical and logistical readiness for an eventual operation similar to the Grenada invasion of October 1983.

Against whom are they planning the invasion? Are they planning to invade Honduras? Not Honduras, because it has already been invaded. Are they planning to invade Panama? Or Costa Rica? Or Mexico? Or the Soviet Union? No, they are not planning to invade Mexico, Costa Rica, Panama, or the Soviet Union. I do not think they will ever think about sending their armies to the Soviet Union. They are preparing to invade Nicaragua, but no maneuver -- no matter how practical -- will ever prepare them for the reaction they will meet (?when they get here). [words indistinct] it is quite clear. We would have to pay an incommensurable price if they invade us. How can we possibly be so senseless as to want an invasion? We must exert every possible effort to prevent an invasion. However, if they ever come, if they ever do come, it will be a disgrace for Nicaragua, for Latin America, and for the U.S. people. If they ever do come, we will be like angry wasps, like avenging ants; and their blood will mix with our blood and (?many men) will die. [applause]

They want us to negotiate. All right, we want to negotiate, but with those who can really stop the aggression, not with those who only obey their orders. We want to talk with whoever gives the orders, not with those who receive them. They want us to negotiate with the FDN, an organization made up of officers of the Somozist guard. Through a publicity campaign in the past several weeks they have tried to claim the impossible, namely, that the FDN has nothing to do with the Somozist guard. But the facts have been overwhelming, despite their hypocritical publicity efforts.

It is true that there are peasants in the ranks of the FDN, recruited through falsehood or persuaded by [words indistinct]. But there is no doubt that the brain, the backbone, the nervous and circulatory systems, the nucleus of that organization, the FDN, is the Somozist guard. Nobody doubts that. Who is its true leader? No one but Mr Reagan. But who poses as the top leader of that organization? None other than Adolfo Calero, a CIA agent since 1961, as everybody knows. Who is its chief of staff? Enrique Bermudez, colonel of the former National Guard, who participated in the imperialistic invasion of the Dominican Republic in 1965. When Col Bermudez entered the military academy in 1948 as cadet No 180 he renounced his Nicaraguan nationality. [applause]

How many members of the FDN general command are former members of the National Guard? That command has seven members. How many do you think are former national guardsmen? The chief of personnel, the chief of intelligence, the chief of operations, the chief of logistics, the chief of transportation, and [words indistinct]; all of them were members of the Somozist guard. And they want us to negotiate with them. They want us to negotiate with these men, who do not even have a political project. Are we going to hold dialogue with Alfonso Callejas Deshon, who during the Somozist regime was vice president of the Republic? To negotiate with them means to give them [words indistinct] that they do not have; it would mean recognizing them as a national political force [words indistinct].

Their strategic objective is to destroy the Sandinist revolution and return Nicaragua to its former neocolonialist status. Do you want the National Guard to return? [crowd shouts: "No, no!"]

If we were to agree to hold dialogue with them, it would be like accepting the return of the National Guard. It would mean the start of a number of concessions that would ultimately lead to the surrender of revolutionary power, of the people's power. There is no possible dialogue with those people.

They knew what they were doing. They had enough time to think about their actions. They even had enough time to repent, because this revolution was so generous that it gave them that opportunity. But they chose to kill, murder, and oppress [words indistinct]. How can there ever be a dialogue between us? [applause]

Another thing is the dialogue with the Miskito, Sumu, and Rama Sandinist Unity [Misurasata]. They are made up of forces that respond to other concepts. It is not the same to negotiate with the murdering guards as to negotiate with the representatives of confused organizations with which, although opposed to the revolution, we can still reach an understanding. But it is one thing to hold dialogue with them and another to hold dialogue with internal political organizations, which is acceptable and recommendable [word indistinct] with the criminals.

Our evaluation of this dialogue is shown by the agreements reached by Commander Luis Carrion with Misurasata leader Brooklyn Rivera. The implementation of these agreements will become effective with the release next Sunday of all Miskitos, Sumus, Ramas, and Creoles being held for illegal activities, regardless of the organizations they belong to -- the Democratic Revolutionary Alliance, Misurasata, or the FDN -- taking into account the special conditions of the activities of [words indistinct] Nicaraguans. [Words indistinct] found themselves in the ranks of the counter-revolution and that this revolution was theirs. There will always be a pardon for the humble sector of our people somewhere in the hearts of Nicaraguans. [applause]

Members of the CDS and helpers of the revolution: Yesterday our national leadership was informed by the chief of the Sandinist People's Army, Companero Humberto Ortega, about the latest blows on the armed counterrevolution. The conclusion we reached was that we are defeating the armed counterrevolution. But the counterrevolution will continue receiving military and economic aid one way or another. The menaces of military and economic aggression remain. We are forced to be distrustful and realistic in the presence of poisonous snakes. We have no alternative. In addition to the military offensive and the threat of a direct attack, we must add possible immediate reactions by those who resent their political setbacks. We must be ready for any economic and diplomatic aggressions, above all a powerful ideological offensive.

Just like the soldiers who raise with determination the rifles of the fatherland, we must also stir the people's permanent vigilance into an efficient, entertaining, and happy activity. We must must provide ideas to expel from communities sadness and idleness. You, as vigilantes of the people, must work with renewed energy to prevent the growth of destruction and death. [Words indistinct] revolutionary vigilantes and brothers: The national leadership has placed in your hands the security of our few factories, the tranquillity of our poor hospitals, the peace of the citizens, the rest of the elders, and the dreams of our children.

Proprietors of Nicaragua: Let us once more shout with optimism, confident about our future, the inspired words: Free fatherland! [Crowd shouts: "Free fatherland!"]

U.S. ASKS NICARAGUA TO BREAK WITH CUBA, USSR

FL030047 Havana Television Service in Spanish 0000 GMT 3 May 85

[Text] In a political blackmail that violates all international standards for relations between states, the U.S. Government has asked the Nicaraguan Government to break relations with Cuba and the USSR as a condition for the suspension the trade blockade imposed a few hours ago by the Reagan administration.

COMMENTARY SAYS TRADE EMBARGO 'EXPECTED'

FL021739 Havana Domestic Service in Spanish 1426 GMT 2 May 85

[Commentary by Yolanda Gomez]

[Text] The trade embargo decreed by President Ronald Reagan against Nicaragua had been expected by public opinion sectors for a long time. The refusal by Congress to approve the controversial $14 million White House request to aid the Nicaraguan counterrevolution apparently was the last straw and the President became impatient in his feverish persistence to show that the White House is the one that decides U.S. policy.

As he confronted a dead-end street in his plans to destabilize the Sandinist nation, Ronald Reagan resorted to the anachoronic instrument used by a President against Cuba in the sixties: the blockade.

Ronald Reagan's decision to impose a total blockade against Nicaragua, including suspension of Sandinist airline flights to the United States and maritime traffic between the two countries, is also a part of a White House maneuver against those in Congress who rejected more aid to the so-called Nicaraguan contras. How can the White House justify its destabilization plan in a nation with a constitutionally-elected government, which has offered Washington numerous peace plans in an attempt to reach a peaceful and negotiated solution in the region?

The measure imposed by Ronald Reagan against Nicaragua in a display of executive power may become a subject of debate in Congress, which will claim the President does not have legislative approval on that decision. How will Reagan justify his decision when legislators begin protesting the blockade against Nicaragua? Will the President again have the nerve of his predecesors and say he made the decision as part of his executive functions because it threatens national security? Anyway, history's lessons have been forgotten by Ronald Reagan and, as it was with Cuba, the Nicaraguan blockade will be another Yankee failure.

U.S. EMBARGO ON NICARAGUA DECRIED WORLDWIDE

FL021955 [Editorial Report] Cuban media reportage on world reaction to the U.S. economic boycott of Nicaragua includes the following:

Havana Television Service in Spanish at 1700 GMT on 2 May says: "There have been worldwide protests against the recently-announced U.S. embargo against Nicaragua. In Lima, local press reports indicate that the U.S. measure will provoke a wave of solidarity with the Central American country. In Bonn, the SUDDEUTSCHE ZEITUNG newspaper commented that Washington's measure will only destroy Nicaragua's private economy. A Social Democrat deputy said the embargo against Nicaragua is a superpower's action against a small country trying to survive and struggling for a democratic future."

Havana Domestic Service in Spanish at 1045 GMT on 2 May says: "This morning, Australia stated it will not support the anti-Nicaraguan boycott in which Reagan is trying to enmesh all the Western nations. Spain has done virtually the same: The Spanish vice president has condemned the blockade in plain language."

Havana Domestic Service in Spanish at 1826 GMT on 2 May says: "UK opposition parties today denounced U.S. President Ronald Reagan's imposition of a total trade embargo on Nicaragua. Labour Party MP (Denny Hellis) said in the House of Commons that he rejects the financial terrorism practiced by Washington against Nicaragua. He said it was incomprehensible that Reagan could apply such drastic measures against the Central American nation while he refuses to impose measures against the racist regime of South Africa, which has been proposed and approved by the international community. (Hellis) stressed that Reagan's action is also an act of reprisal for the U.S. Congress' refusal to approve $14 million to aid the Nicaraguan counterrevolution. David (Spearking) of the UK Liberal Party called on Margaret Thatcher's government not to join the blockade of Nicaragua.

"The communist daily MORNING STAR reported today that this embargo will fail as did the one against Cuba. THE FINANCIAL TIMES warned today that the decision against Nicaragua will affect the summit meeting of the developed capitalist nations and that Reagan will try to impose his decision on Britain and the other countries of the Common Market. THE GUARDIAN and THE DAILY TELEGRAPH predicted that the measure will fail, the THE TIMES carried a large article on Ronald Reagan's economic war against Nicaragua."

FLAVIO BRAVO MEETS INTERNATIONAL WOMEN'S GROUP

FL250118 Havana Television Service in Spanish 0000 GMT 25 Apr 85

[Text] Students from the 14th class of the Regional Center for Latin America of the Women's International Democratic Federation (FEDIM) met today with Flavio Bravo, president of the National Assembly of the People's Government. Elia Garcia Patino, deputy, explained to the representatives from Latin America, Central America, and the Caribbean the way in the organs of the People's Government emerged and developed, and their achievements in the last few years.

BARBADOS

MARXIST POLITICIANS LAUNCH WORKERS PARTY

FL021957 Bridgetown CANA in English 1724 GMT 2 May 85

[Excerpt] Bridgetown, Barbados, May 2, CANA -- Following a last minute scrabble for a venue, a small group of Marxist politicians last night launched the newest political party in this traditionally conservative island.

...What we are witnessing here this evening is...most important and most historical because it is happening in Barbados,...one of the last places in the world where one would expect a worker's party to be launched, guest speaker Trinidadian Dr James Millette told about 100 people. Dr. Millette, a senior history lecturer at the University of the West Indies, St. Augustine, Trinidad, is general secretary of the small February 18th Movement. Besides his organisation, other Caribbean leftist groups which had representatives to the launching of the Workers Party of Barbados (WPB) were Guyana's Peoples Progressive Party (PPP), the Guadeloupe Communist Party, the People's Popular Movement (PPM) of Trinidad and Tobago, the United People's Movement (UPM) of St. Vincent and the Grenadines, and the Workers' Party of Jamaica (WPJ). Referring to the wave of criticism in the press that followed the announcement of the party's launching, WPB General Secretary Dr. George Belle, declared nothing will deter the group from going forward, this is no seven-day wonder, he said.

ST VINCENT AND THE GRENADINES

GOVERNMENT TAKES CONTROL OF ELECTRIC COMPANY

FL012200 Bridgetown CANA in English 1850 GMT 1 May 85

[Text] Kingstown, St Vincent, May 1, CANA -- The St Vincent and the Grenadines Government today took effective control of the island's lone electricity company, when it bought over 51 percent shareholding from the British-based Commonwealth Development Corporation (CDC). CDC had been part owners in St Vincent Electricity Services Limited (Vinlec) since the company was established in 1973. Prior to that time CDC had the sole right to supply light and power here under an agreement made in 1953. Prime Minister and Minister of Finance James Mitchell today handed over a cheque for 92,384 pounds sterling to CDC representative John Taylor. The amount represented fifty per cent of the cost of 42,067 ordinary shares which CDC owned in Vinlec. The remainder of the cost of the shares will be made within a year. Taylor said government's take-over of the company represented a landmark in the history of Vinlec and was evidence of its independence and ability to stand on its own feet. Mitchell said the Canadian firm of C.I. Power of Montreal will from today assist Vinlec with the management and development of electricity services. Vinlec has already embarked on a 31.3 million (U.S.) dollar hydroelectric project at Cumberland some 18 miles north west of the capital, Kingstown. The project is expected to meet the power needs of St Vincent and the Grenadines well into the next decade. Funding for the project is coming from a USAID loan of 7.5 million (U.S.) dollars and agrant of .5 million, a CIDA (Canadian International Development Agency) gift of 7.8 million (U.S.) dollars, a line of credit from the International Development Agency (IDA) of 5 million (U.S.) dollars, a loan from the Caribbean Development Bank of 4.5 million (U.S.) dollars, a long term loan from the European Investment Bank (EIB) of 2.8 million dollars, with the company providing 3.2 million (U.S.) dollars to the project.

COLOMBIA

FOREIGN MINISTER SAYS U.S. EMBARGO 'REGRETTABLE'

PA020104 Bogota Cadena Radial Super in Spanish 0000 GMT 2 May 85

[Text] Foreign Minister Augusto Ramirez Ocampo has made the following important statement regarding President Ronald Reagan's decision in relation to Nicaragua's political situation:

[Begin Ramirez Ocampo recording] The truth is that it is a regrettable decision, because it increases the problems in the region. We were all hoping that the so-called Manzanillo talks, in other words the bilateral talks between the United States and Nicaragua, would be resumed in one way or another. However, I think that with President Ortega's trip to the USSR and the blockade decision, this possibility is now remote, and thus the possibilities of an understanding between these two countries have been reduced. [end recording]

PANAMA

PROTEST AT U.S. EMBASSY TO MARK 6 MAY 'FRAUD'

PA301806 Panama City LA PRENSA in Spanish 30 Apr 85 p 1 A

[Text] Political sectors that were members of the Democratic Opposition Alliance during the past elections have scheduled a number of events on 6 May to commemorate the first anniversary of the scandalous fraud that was committed against the Panamanian people and Latin American democracy in general. The events include protesting and picketing in front of the U.S. Embassy against the support that the U.S. authorities, in open intervention of our domestic affairs, gave to the fraud and the various military governments that Panama has suffered since the ill-fated coup of 1968. It is unfortunate for the geopolitical interests of the U.S. Government that the Panamanian people have begun to realize that the struggle against fraud, militarism, and corruption in Panama is inseparable from the struggle against international forces that have supported and financed fraud, militarism, and corruption in our country. The United States' irresponsible and dangerous policy toward Panama has injured two deeply rooted sentiments in the Panamanian people and the Latin American peoples in general: nationalism and antimilitarism. Time will tell what consequences this policy will have for the already bleak situation of Panama and Central America.

PERU

SENATE CONDEMNS INTERVENTION IN NICARAGUA

PY030342 Paris AFP in Spanish 0222 GMT 3 May 85

[Text] Lima, 2 May (AFP) -- The Peruvian Senate tonight approved a motion that unanimously condemns every type of intervention by foreign powers, whether that intervention is economic, political, military, or diplomatic in nature, in Nicaragua. The motion was submitted in a multiparty format by legislators from American Revolutionary Popular Alliance, the United Left, the Popular Christian, and the Popular Action parties, the country's major political parties. The motion warns that as a consequence of the trade embargo that the United States has imposed on Nicaragua, the political situation in Central America is entering another and even more serious crisis. It also states that the channels that have been proposed by the Contadora Group, starting with the nonintervention of third parties in Nicaragua, is the democratic and legal way to resolve the Nicaraguan situation and to guide it toward the republican traditions of Latin America.